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| Policy Name: | Procurement Policy |
| Originating/Responsible Department: | Financial Services |
| Approval Authority: | Senior Management Committee |
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| Contact: | Director, Strategic Procurement |

POLICY

The University Procurement Policy applies to the acquisition of any good or service made for the purpose of teaching, research, administrative duties or other related University operations. This policy is in accordance with the governing directives and legislation applicable to a broader public sector institution, including without limitation:

- [The Broader Public Sector \(BPS\) Procurement Directive](#), effective July 1, 2011,
- [The Canadian Free Trade Agreement \(CFTA\)](#), effective July 1, 2017,
- [The Comprehensive Economic and Trade Agreement \(CETA\)](#), effective September 21, 2017,
- [The Ontario-Quebec Trade and Cooperation Agreement \(OQTCA\)](#),
- [The Construction Act](#), effective July 1, 2018,
- [The Freedom of Information and Protection of Privacy Act \(FIPPA\)](#), and
- [The Accessibility for Ontarians with Disabilities Act \(AODA\)](#).

It is understood that the governing directives and legislation may change from time to time, and Procurement Services may amend this policy and any relevant procedures, if and as necessary.

In addition to applicable procurement legislation and regulation, the University is also bound by requirements of funding agencies and contractual arrangements, to the extent that those requirements comply with the applicable procurement legislation and regulation.

PURPOSE

The primary purpose of the Procurement Policy is to ensure that the acquisition of goods and services is undertaken in an open, fair, transparent, efficient, ethical, and cost-effective manner while obtaining the best value for money for the University. Furthermore, the purpose of the policy is:

- To ensure that current legislative and regulatory requirements with respect to public entity purchases are met, including mandatory requirements of the governing directives or trade agreements;

- To ensure that all Carleton University Faculty and Staff, involved in the purchase of goods or services, are aware of the applicable governing legislation, regulation and code of conduct(s);
- To establish guidelines for purchasing goods and services for all University units, including procurement planning and risk mitigation considerations, as well as to outline the University's accountability in using public funds for the purchase of those goods and services;
- To ensure university vendors are permitted to participate in fair competition for the supply contracts awarded by the University, in accordance with their qualifications; and
- To raise awareness of environmental stewardship and sustainability in the procurement of goods and services, including procurement decisions that contribute towards a positive social impact and promote "healthy communities".

Accessible Procurement

Accessible Procurement requires stakeholders to consider accessibility in each purchase or procurement activity. This means giving thoughtful consideration to the *Accessibility for Ontarians with Disabilities Act (AODA)* – a law that sets out processes for developing and enforcing accessibility standards to identify, remove, and prevent barriers for people with disabilities. Individuals participating in a university procurement or making a purchase on behalf of the university will give appropriate consideration in the evaluation process to those goods, services, and vendors that reflect a commitment to accessibility.

Assistance on how to consider accessibility in your purchase is available from Procurement Services.

Sustainable Procurement

A disciplined approach to sustainable procurement depends on dedicated participants who consider the right balance of environmental, societal and economic considerations in each procurement activity. This requires a careful and thorough evaluation of procurement requirements while also exploring opportunities that are environmentally responsible and promote "healthy communities".

Individuals participating in a university procurement will give appropriate consideration in the evaluation process to those goods, services and vendors that reflect a commitment to sustainability or a broader social responsibility, including but not limited to life-cycle costs, reusable or recycled goods, energy consumption in production and distribution, diverse vendors, fair trade products certified by Fairtrade International and the Small Producer Symbol (SPP) and demonstrated community impact measurement.

ROLES AND RESPONSIBILITIES

The procurement governance framework includes the delegation of responsibilities, segregation of duties, and establishment of authority and code of conduct to ensure the appropriate level of control and probity in the acquisition of goods and services for, and on behalf of, the University. In addition to those responsibilities outlined in the applicable legislation and university policies, the considerations described in this policy apply.

Procurement Services

Except as specifically delegated by the Board of Governors and/or the President and Vice-Chancellor and further outlined in this policy, the acquisition of goods and services is the primary responsibility of Procurement Services regardless of the source of funds from which goods and services are purchased. Therefore, regardless of whether the acquisition of goods or services is funded from operating funds,

ancillary funds, capital funds or research funds, this policy applies.

The Director, Strategic Procurement, or their delegate, through the application of accepted procurement practices, is responsible for procedural design, establishing strategic procurement systems and programs, entering into supply arrangements and placing purchase orders with those vendors offering the best combination of cost, product quality, delivery, service and other evaluation criteria specific to the purchase as described in the applicable procurement process. Members of Procurement Services are responsible for:

- Consulting with users to conduct market research, establish purchase requirements, and identify possible sources of supply;
- Managing the competitive, non-competitive or collaborative procurement process in accordance with this policy, including evaluation, selection and debrief processes;
- Ensuring all procurement processes are conducted in accordance with the applicable laws, trade obligations, and university policies;
- Advocating for sustainable solutions, including the consideration of environmentally-friendly criteria, total life cycle costs, and community impact;
- Working with clients to mitigate potential risks to the University by conducting a thorough procurement planning process and communicating with all relevant stakeholders;
- Ensuring that written contracts between the University and its vendors meet all legal and risk requirements and adequately represent the University's interests; and
- Documenting any issues relating to contract performance raised by the client or Department Head.

Financial Approval Authority or Department Head

The Financial Approval Authority or their assigned delegate is responsible for the identification of a procurement requirement, providing information on functionality and performance outcomes to aid in the development of specifications, identifying and collaborating with relevant stakeholders, reviewing draft solicitation and contract documents, identifying and/or participating in proposal evaluation, providing adequate funding, and preparing or approving purchase requisitions. It is also the responsibility of the Department Head to manage the performance of the vendor with respect to the terms and conditions of the contract or purchase arrangement. All issues relating to the performance of the good or service shall be reported to Procurement Services in a timely manner.

Employees and Individuals conducting business on behalf of the University

Any individual, including faculty, staff and students, who may be engaged in making purchases on behalf of the University, are obligated to act in the best interests of the university and perform due diligence in acquiring goods and services in a responsible and compliant manner with the utmost regard for obtaining the best value for money.

Code of Conduct

The University has adopted, and all individuals involved in the acquisition of goods and services for the university are required to follow the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics (see Section 7.1 of the [BPS Procurement Directive](#)). In particular, participants in the process 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 vendors or products. Individuals participating in

the procurement process should be familiar with the details of the Supply Chain Code of Conduct and mandatory requirements of the BPS Procurement Directive.

University employees who fail to comply with the Procurement Policy are subject to discipline including but not limited to having their procurement responsibilities suspended or revoked.

Conflict of Interest and Non-Disclosure

Each individual involved in a procurement process is bound by the obligations and BPS Procurement Directive Code of Conduct referenced in this policy. In addition, each individual involved in the evaluation of competitive procurements through the request for proposal process is required to complete a Conflict of Interest and a Non-Disclosure Agreement.

Delegation of the Procurement Policy

Notwithstanding that this policy and the related trade obligations and legislation may still be applicable, the procurement process for certain specialized goods and services by the University rests in areas other than Procurement Services. Such areas include:

- Insurance; - Executive Director, Office of Risk Management
- Investment services; - Associate Vice President (Financial Services)
- Public employment contracts; - Associate Vice President (Human Resources)
- Library book acquisitions; - University Librarian
- Legal Services; - University General Counsel

PROCEDURES AND RISK MITIGATION

Individuals and departments who may be aware of an upcoming purchase requirement, whether in the short, medium, or long-term, shall engage Procurement Services and the relevant stakeholders as early in the process as is possible. This is particularly important for medium or high-risk scenarios and higher dollar value purchases (i.e., where the procurement value is estimated to be close to or greater than \$100,000 over the life of the contract). Medium or high-risk scenarios may include the purchase of a good or service having the following characteristics or features:

- University data, including research and student data, may be shared or transmitted through third-party service providers or cloud services;
- Vendors or third-party services may require access to the University's technological infrastructure or environment, either directly or indirectly;
- Payment card data, university or otherwise, may be collected once the good or service is acquired and in operation (i.e., credit cards being accepted as a form of payment through the acquired product or service);
- The purchase is or includes a controlled good or laser, is a biological concern including live animals, or may produce hazardous waste;
- The good must meet certain electrical standards or other health and safety requirements;
- The good or service involves the construction, renovation or modification of university property, including office interiors;
- The university standard purchase order terms and conditions may be insufficient for the level of risk involved.

Departments shall notify Procurement Services of intended high-dollar value and medium or high-risk procurements on an annual basis, or as soon as the need becomes known, in order to provide adequate planning time, engagement of relevant stakeholders and compliance with all legal requirements.

SCOPE AND PROCUREMENT THRESHOLDS

Buying Organizations and Cooperative Procurement

The University prioritizes collaborative and cooperative procurement with group buying organizations and sector affiliates. Where beneficial and feasible for the University, Procurement Services may choose to participate in a cooperative purchasing project with other local, provincial or federal organizations, providing that the organization's procurement processes are compliant with the university's governing and legal obligations. Procurement Services will treat a cooperative Vendor of Record list as an open and competitive prequalification of vendors, and conduct a second-stage selection process in lieu of a Carleton-led open competitive process, where required. Where the value of a second-stage process is equal to or exceeds \$100,000, and unless stipulated otherwise in the administrative directions of the competitive procurement, Carleton, at its sole discretion, may randomly select up to five (5) qualified vendors to participate in a second-stage selection. Where the value of a second-stage process is less than \$100,000, the thresholds in this policy will be applied to the random selection of qualified vendors.

Limited Tendering

The university engages in competitive bidding of all procurement where practical, advantageous and required under legislative requirements; however, in certain circumstances, and as governed by the applicable trade obligations, approval for limited tendering provisions may be sought. Limited tendering is a non-competitive procurement process where only one vendor exists or might be engaged (e.g., single sourcing, sole sourcing). A Limited Tender Justification Form, signed by the Department Head and the appropriate Vice-President, must be received and reviewed by Procurement Services along with the purchase requisition in advance of engaging the vendor. The rationale for whether limited tendering may be permitted are outlined in the Limited Tender Justification Form. When there is doubt as to whether a limited tendering exception is valid, Procurement Services may post an Advanced Contract Award Notice to ensure a fair and transparent process prior to awarding the contract.

Procurement Thresholds and Requisition Approvals

Except as outlined as an allowable limited tendering or non-application provision under the procurement legislation referenced in this policy, the following thresholds, mechanisms and approval requirements apply for purchasing requisitions and/or initiating a competitive procurement process. The threshold procurement value means the total anticipated financial spend of the proposed purchase, including annual costs paid to the vendor for the entire duration of the contract and optional renewal periods, if applicable. Larger purchases cannot be split into smaller components in order to circumvent the threshold requirements. Contracts resulting from the procurement process are subject to additional approval and risk assessment requirements as outlined in the Signing Authorities Policy.

| All Goods and Services (excluding applicable taxes) | | |
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| Total Procurement Value (before taxes) | Means of Procurement | Approvals Required |
| \$0 - \$10,000 (excludes Consulting Services) | <ul style="list-style-type: none"> ▪ eShop catalogues, or ▪ eShop purchase requisition, or ▪ eShop cheque requisition, or ▪ eCard for on campus purchases, or ▪ University Procurement Card. | Financial Approval Authority |
| \$10,000.01 to 50,000.00 (\$0 to 50,000 for Consulting Services) | <ul style="list-style-type: none"> ▪ eShop Vendor of Record catalogues, or ▪ eShop purchase requisition to approved Vendor of Record, or ▪ eShop purchase requisition with a minimum of two quotations attached; | Above, plus: Manager, Procurement Services for \$25,000 and higher; |
| \$50,000.01 to 99,999.99 | <ul style="list-style-type: none"> ▪ eShop Vendor of Record catalogues, or ▪ eShop purchase requisition to approved Vendor of Record, or ▪ eShop purchase requisition with a minimum of three quotations attached; | As above. |
| \$100,000.00 + | <ul style="list-style-type: none"> ▪ Open Competitive Process | Above, plus: Department Head, and Director, Strategic Procurement |
| \$500,000.00 + | <ul style="list-style-type: none"> ▪ Open Competitive Process | Above, plus: Associate Vice-President (Financial Services) |

*All non-competitive purchases for the supply of consulting services require the approval of the President or his/her delegated authority. For non-competitive consulting services contracts valued greater than \$1,000,000, the approval of the Board of Governors is also required.

**Purchases of goods and services under \$10,000, which are in accordance with this Policy and any related policies and for which the means of procurement outlined above are not practical, may be reimbursed through the Travel and Expense system, with the appropriate supporting documentation and one-up approvals.

***Multiple quotations are not required for purchases valued less than the [CETA competitive threshold](#) (Goods

and Services) from a Vendor with an approved Vendor of Record contract with the University, unless stipulated otherwise in the administrative directions of the competitive procurement.

DEFINITIONS

Construction means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work.

Consulting Services means the provision of expertise or strategic advice that is presented for consideration and decision-making. This is different from the definition for Professional Services, which means the engagement of a person or entity retained under a fee-for-service arrangement to perform specific tasks under a client's direction for a limited period.

A **Convenience Vendor** is a vendor that has been enabled on eShop to offer variety in a commodity area for which the University does not have a Vendor of Record and to provide convenience to the community in terms of ordering and tracking. Over time the data collected from convenience vendor shopping can be analyzed to begin negotiations with vendors in the same commodity area.

Diverse Vendor means any business or enterprise that is certified to be 1) more than 50% owned, managed and controlled by persons belonging to an equity-deserving community or 2) a social purpose enterprise whose primary purpose is to create social, environmental or cultural value and impact, and where more than 50% of the persons who are full-time equivalent employees are participating in, or have completed, transitional employment training, or experience economic disadvantage.

eShop is the university's eProcurement platform, used to create, submit, approve and monitor purchase requisitions, purchase orders, cheque requisitions, and internal service provider requests.

An **eShop Catalogue** is an online collection of goods and/or services offered by a particular vendor and containing information and mechanisms to expedite the purchasing process of low dollar value goods. eShop catalogue vendors may be established as either a Vendor of Record or Convenience Vendor.

Financial Approval Authority means the individual or position with permission to approve transactions for execution. The approval attests to the appropriateness of the transaction within the university's budgetary guidelines. An individual who has been given financial approval authority is thereby charged with financial accountability and ensuring the appropriate use of funds. This individual or position is either the funding source owner or an individual who has been delegated financial approval authority by the funding source owner, as outlined in the Approval and Delegation of Authority policy.

Life Cycle Costs are the agreed, projected, significant and relevant cost flows over a period of analysis expressed in monetary value, including but not limited to the upfront purchase cost, operating costs, longevity, and end-of-life costs (removal of product or service).

Open Competitive Process means conducting a Carleton-led public procurement open to all vendors in accordance with the applicable trade obligation thresholds, or conducting a second stage selection process from an approved Vendor of Record source (e.g. OECM, MGCS, etc.). Where trade treaty thresholds are invoked, assurance that the source adhered to the applicable trade obligations is required.

Procurement Value means the total anticipated financial spend or outlay (excluding taxes) over the life of the commitment, including optional renewal periods, if applicable; however, departments should consider any additional costs (e.g. taxes) when preparing annual forecasts and/or budgets.

Value for Money means the holistic consideration of price as well as other costs and benefits, including life cycle costs and relevant non-price attributes such as quality. Where applicable, these non-price attributes can include social and economic benefits to the community as well as environmental considerations that secure wider environmental and sustainability benefits.

A **Vendor of Record** is a vendor with whom the University has a formalized, non-exclusive relationship for a set of products, services or commodity areas. The relationship is governed by a contract or supply arrangement to streamline the ordering and payment channels, and provide benefits to the community, such as product discounts or service-level agreements for supply, delivery and warranty. Purchases from a Vendor of Record do not require the minimum number of quotations for competitive tendering.

CONTACTS

Director, Strategic Procurement, Manager, Procurement Services;
Administrative Officer, Procurement Services

RELATED POLICIES

Approval and Delegation of Authority
Acquisition of Wireless Cellular Services
Cash and Cash Equivalent Handling
Cloud Computing Security
eCard Policies and Procedures
Environment and Sustainability Policy

Equipment Inventory
Payments to Individuals and Business Entities
Procurement Card Policy
Signing Authorities Policy
Travel and Related Expenses