

Policy Name:	Purchasing Policy
Originating/Responsible Department:	University Services and Purchasing
Approval Authority:	Senior Management Committee
Date of Original Policy:	September 2002
Last Updated:	July 2015
Mandatory Revision Date:	July 2020
Contact:	Assistant Vice-President (University Services)

POLICY:

The purchase of goods and services at Carleton University will be undertaken in an efficient and cost-effective manner to ensure that the highest quality of goods and services is procured at the lowest overall cost while complying with the BPS Procurement Directive.

PURPOSE:

The purpose of this policy is

- To ensure that current legislative requirements with respect to public entity purchases are met, including mandatory requirements of the Ontario Broader Public Sector (BPS) Procurement Directive
- To ensure ethical, efficient and accountable sourcing, contracting, purchasing, or other supply-chain related activities within Carleton University.
- To ensure that all Carleton University employees, involved in the supply chain, are aware of **Carleton University's Supply Chain Code of Ethics** (See Appendix A).
- To outline the University's accountability for its use of funds for goods and services.
- To establish guidelines for purchasing goods and services for all University units.
- To promote the role of Purchasing Services at the University in assisting departments in acquiring the goods and services required at the best possible value.
- To ensure fairness, transparency and openness to all interested suppliers.

RESPONSIBILITY:

Except as specifically delegated by the Board of Governors, or the President, the acquisition of goods and services is the primary responsibility of Purchasing Services 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 or research funds, this policy applies.

The Fund/Account Holder (Department or Researcher) is 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 Purchasing Services staff to evaluate the quotes/proposals received.

The Manager, Purchasing Services, or delegate, through the application of accepted purchasing practices, that is, competitive bidding, purchase negotiations and supply sourcing, is responsible for placing purchase orders with suppliers offering the best combination of cost, product quality, delivery and service and other evaluation criteria specific to the purchase.

Due to the specific requirements involved in the planning and awarding of construction and renovation contracts the responsibility for the solicitation of quotes/tenders rests with the Assistant Vice-President (Facilities Management and Planning) and shall comply with the approved Construction Policies and Procedures.

ROLE OF PURCHASING SERVICES

The role of Purchasing Services 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.

In fulfilling its responsibility, Purchasing Services will:

- Consult with users to establish requirements and possible sources of supply;
- Manage the process of obtaining competitive bids in accordance with this policy, except where delegated to others;
- Encourage competition among suppliers through negotiation, competitive bidding and contract buying;
- Ensure the bidding process is conducted according to Canadian Laws of Competitive Bidding and the Agreement on Internal Trade (AIT);
- Work co-operatively with end users to make the final determination of source of supply, delivery schedule and price negotiation;
- Evaluate supplier performance;
- Explore and make use of possible advantages of inter-institutional consortia and other cooperative purchasing programs;
- In conjunction with all University departments increase the use of recycled and environmentally friendly products and services where economically feasible;
- Interpret and apply applicable government regulations including customs and sales taxes;
- Expedite the procurement of goods and services and provide for customs clearance ensuring compliance with CRA regulations;
- Ensure that written contracts between the University and its suppliers represent the University's interests adequately, and meet all legal requirements.

SEGREGATION OF DUTIES

To maintain effective internal control, the delegation of authority and segregation of duties across the various procurement functions, departments should prevent any one person from controlling an entire purchasing transaction. The typical procurement cycle includes five major steps or roles. The following table illustrates those roles and the key components of that role.

In order to maintain appropriate segregation of duties, three of the five functions should be completed by different individuals. In circumstances where it is not feasible as in the case of small units, adequate compensating controls may be acceptable (e.g., regular transaction review of financial reports by department budget authority after the fact).

Purchasing Roles	Task	Who
Requisition	Authorize the budget unit to place an order	Department budget holder, research principle investigator or authorized delegate
Budget	Ensure that the funding is available to cost the cost of the order	Department budget holder, research principle investigator or authorized delegate
Commitment	Authorize the release of the order to the supplier under the agreed terms	Purchasing Services or department authority for commitment of funds
Receipt	Authorize that the order was physically received, correct and complete	Department individual receiving the goods
Payment	Authorize release of the payment to the supplier	Department budget authority, Accounts Payable department or signing officers

SCOPE & PURCHASING THRESHOLDS:

A “commitment” is considered to include a system of goods and or services that must be procured in whole to be functionally operable. Larger purchases cannot be “split” into smaller components to circumvent these thresholds.

“Value” means the total anticipated spend outlay (excluding taxes) over the life of the commitment.

Competitive bids must be obtained for Goods and Services (excluding Consulting Services) which exceed \$10,000 per commitment in the number and form set out below, **Table 1**

TABLE 1

Procurement of Goods and Services (Excluding Consulting Services)

Total value (before taxes, etc.)	Means of Procurement	Approval Required	Process
\$0 to \$10,000	<ul style="list-style-type: none"> • Procurement Card • Purchase Order 	Fund/account owner or designate	
\$10,001 - \$50,000	<ul style="list-style-type: none"> • Minimum of two written quotations • Purchase order 	Fund/account owner or designate	Quotations can be obtained by department or Purchasing Services
\$50,001 – \$99,999	<ul style="list-style-type: none"> • Minimum of three written quotations • Purchase Order • Formal Agreement 	Fund/account owner or designate	Quotations can be obtained by department or Purchasing Services

\$100,000 and above	<ul style="list-style-type: none"> • Formal open competitive bid process • Purchase Order • Formal Agreement 	<ol style="list-style-type: none"> 1. Fund/account owner or designate 2. University Signing Authority 	A formal bid document is to be posted on MERX and to comply with the BPS Procurement Directives
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“Professional Service” provider is a person or entity retained under a 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. Competitive thresholds for Professional Services procurement is in accordance with TABLE 1

CONSULTANTS & CONSULTING SERVICES

An open competitive process must be conducted for Consultants or Consulting Services regardless of value. Approval from the appropriate authority is required for each process.

- \$0 up to \$100,000 - invitational or open competitive process
- \$100,000 or more - open competitive process
- Under \$1,000,000 requires a signature from the President
- Over \$1,000,000 requires a signature from the President or a Vice-President and the Board of Governors.

Any exemptions must be in accordance with the applicable trade agreements.

Definitions:

- “Consultant” means a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.
- Consulting Services” means the provision of expertise or strategic advice that is presented for consideration and decision-making.

Exemptions:

- The following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries, does not constitute consulting services

LOW VALUE PURCHASES

While Purchasing Services is available for assistance in the procurement of all goods and non-consulting services, those valued at \$10,000 or less may be initiated and completed by authorized individuals at the department level.

A procurement card is available to departments that allows purchases to be made without requiring a purchase order, see link for details:

<https://carleton.ca/secretariat/wp-content/uploads/Procurement-Card-Policy.pdf>

EXCEPTIONS TO COMPETITIVE BIDDING REQUIREMENTS

Non-Competitive Procurement – Sole/Single Sourcing

Carleton University will employ an open competitive process when required, and whenever possible to increase the chances of achieving the greatest value for money. However, in some specific situations as described in this Sole/Single Source Section, competitive procurement processes may not be warranted.

Non-Competitive Goods and Services (\$10,000 or greater)

In the event that Carleton University does not employ a competitive procurement process for **goods and services**, formal documentation will need to be completed on a Sole/Single Source Certificate as **Appendix B**

The Sole/Single Source Certificate for the non-competitive procurement of goods or ~~non-consulting~~ services must receive prior approval by:

1. Fund/Account owner
2. 1 Level Higher than Account Holder i.e. Chair
3. RPC Chair/Department Head
4. Manager, Purchasing Services
5. A Vice-President/Provost

Exceptions to competitive bidding requirements 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 Appendix B sets out when a Sole or Single purchase can be made. Other reasons include the following:

- Where there is an absence of competition for technical, unique expertise, legislative or statutory reasons (eg. Agreement on Internal Trade)
- Where the supply of goods or services is controlled by a statutory monopoly;
- For a contract to be awarded to the winner of a design contest;
- For procurement of original works of art;
- For procurement of real property;
- Items for resale to the public

CO-OPERATIVE PURCHASING

The University may choose to participate in a co-operative purchasing project with other local or provincial organizations. The tendering/quotation requirements of the co-operative organization may not be identical to University requirements but will be accepted if deemed by the Manager, Purchasing Services to be consistent with the intent of University purchasing policies. The Agreement Internal Trade \$100,000 electronic bid requirement will apply to the total purchase of the Co-operative members.

CODE OF ETHICS

The University shall conduct its purchasing activities in accordance with Carleton University's Supply Chain Code of Ethics (see Appendix A). The Code of Ethics shall apply to all members of the university community involved in the supply chain of the University.

CONFLICT OF INTEREST & CONFIDENTIALTY

Each individual involved the evaluation of competitive bids is required to complete a Conflict of Interest and a Non-Disclosure Agreement, see Appendix C & D.

DELEGATION OF THE PURCHASING POLICY

Due to their specialized nature, the responsibility for procurement of certain goods and services by the University rests in areas other than the Purchasing Services. Such areas include:

- Construction contracts/materials; - Assistant Vice President (Facilities Management and Planning)
- Insurance and investment services; - Assistant Vice President (Finance)
- Personnel services and contracts; - Assistant Vice President (Human Resources)
- Library book acquisitions. - University Librarian

However, this policy and the Broader Public Sector (BPS) Procurement Directive applies to the above where applicable.

Contacts:

Assistant Vice President (University Services); Manager, Purchasing Services; Departmental Administrator, University Services and Purchasing

Links to related Policies:

Procurement Card Policy

Appendix A
CARLETON UNIVERSITY
Supply Chain Code of Ethics

General:

Carleton University is committed to high standards of ethical, legal, environmental and professional behaviour by its members when carrying out their responsibilities and managing the resources entrusted to them. All University staff and personnel who, during the course of their duties, are involved in the process of acquiring goods or services shall perform their duties to the following standards:

Personal Integrity and Professionalism

- A high standard of integrity, honesty, respect, professionalism and due diligence will be exercised in all activities and relationships
- Any personal interest that may impinge ones' impartiality must be declared immediately to the Manager of Purchasing Services
- Respect for each other will be demonstrated
- Respect for the environment will be demonstrated
- The confidentiality of information received in the course of duty will be respected, subject to legislative requirements
- Information given in the course of duty should be true, fair and factual
- Activities that create, or may appear to create, a conflict of interest, such as accepting gifts or favours or providing preferential treatment are not acceptable

Accountability & Transparency

- Goods and services shall be procured in an open, fair and transparent manner
- All procurement activities will be conducted in a competitive environment to ensure best value is obtained and University resources are optimized.

Compliance & Continuous Improvement

- The support of collaborative purchasing, the adoption and sharing of leading procurement practices and the highest standards of professional competence will be sought and demonstrated
- Suppliers will be encouraged to consider sustainability and social responsibility in their product or service offerings

Appendix B
PURCHASING SERVICES

SOLE OR SINGLE SOURCE CERTIFICATION

- Sole Source:** Only one supplier is capable of meeting end user requirements and specifications; no other suppliers or distributors in the market.
- Single Source:** More than one supplier or distributor for a product exists in the market, however only one of those suppliers or distributors is able to meet specific requirements.

Carleton Universities Policy reflects all Federal and Provincial laws that govern public sector procurement including competitive bidding practices. The Purchasing Policy applies to expenditures from all funds: operating, research and capital.

If quotations or competitive bids are not solicited, this signed certification along with the back-up documentation must be forwarded to Purchasing Services, with the requisition, prior to any commitment being made to the supplier.

I understand and accept that the University Policy on Purchasing Goods and Services requires that two written quotations be obtained for from different suppliers (for goods or services valued in excess of \$10,000) and three written quotations from different suppliers (for goods or services valued in excess of \$50,000) and formal competitive bids (for goods or services in excess of \$100,000); however since one or more of the conditions below apply, this procurement is either exempt from the policy or quotations or competitive bids were not solicited.

I have attached the required back-up documentation in support of the selected condition(s) and I also acknowledge that no commitment has been made to the supplier.

Only one supplier is able to meet the requirements of this procurement for one or more of the reasons noted below:

- No alternative or substitute or service exists that meets the specific or unique technical or research requirements of the purchase.
- To ensure compatibility with existing products, to recognise exclusive rights such as licenses, copyright and patent rights or to maintain specialised products that must be maintained by the manufacturer or its representative.

- More than one supplier exists in the market for the requested good or service; however, only the supplier or distributor indicated is able to meet specific requirements for this purchase as indicated in the attached document.

- The subject matter of the purchase is of a confidential nature and its disclosure through a competitive bid process could compromise security, cause economic disruption or otherwise be contrary to the public interest.

- The purchase is for work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.

- The purchase is for a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any other subsequent purchases

- The purchase is for goods or services available under exceptional circumstances such as bankruptcy or receivership, but not for routine purchases

- The purchase is for subscriptions to or place advertisements in various media.

- An emergency situation exists where and acquisition is urgently required to prevent danger to life or property, suspension of essential or serious delay injurious to the University.

- Other reasons not provided for in the above and as indicated in the attached document

Authorizing Signatures

Originator Signature	Originator Name (Please Print)	Date
Supervisors Signature	Supervisors Name (Please Print)	Date
RPC Chair/Dept. Head Signature	RPC Chair/ Dept. Head Name (Please Print)	Date
Purchasing Services Signature	Name (Please print)	Date

Vice-President/Provost Signature

Name (Please print)

Date

The signature of Purchasing Services indicates that this purchase falls within the exemptions as noted above. Once this request has been approved, the Purchase order will be issued in accordance with the details specified on the purchase requisition.

This document will be kept for Audit purposes.

*Provide justification for requiring a sole or single source:

To be completed by Purchasing Services

Supplier Name: _____ Contract or Purchase Order #: _____

Supplier Address: _____

Expiration: (not to exceed 5 years)

Date: ____/____/____ (YYYY/MM/DD)

Other: _____

Appendix C
CARLETON UNIVERSITY

Evaluation Team Conflict of Interest Disclosure
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TO BE COMPLETED BY EACH EVALUATION TEAM MEMBER

I have read the Supply Chain Code of Ethics (attached) and understand the expectations for ethical conduct. Consistent with the Supply Chain Code of Ethics, I am capable of identifying a situation that constitutes a Conflict of Interest, such as but not limited to:

- I. Engaging in outside employment;
- II. Not disclosing an existing relationship that may be perceived as being a real or apparent influence on my objectivity in carrying out an official role;
- III. Providing assistance or advice to a particular vendor participating in a competitive bid;
- IV. Having an ownership, investment interest, or compensation arrangement with any entity participating in the bid process with the organization;
- V. Having access to confidential information related to the procurement initiative; and
- VI. Accepting favours or gratuities from those doing business with the organization.

I agree to abide by Supply Chain Code of Ethics and the Procurement Policies and Procedures in all of my procurement activities. I declare that there are no actual or potential conflicts of interest arising out of my participating in procurement activities, except for the following:

- 1. _____

- 2. _____

_____	_____	_____
Signature	Print Name	Date

Appendix D
CARLETON UNIVERSITY

Evaluation Team Non-Disclosure Agreement

TO BE COMPLETED BY EACH PROCUREMENT EVALUATION TEAM MEMBER

RE: [RFP Number and Title]

In accordance with the BPS Procurement Policies and Procedures, BPS Organizations must consider any conflicts of interest during procurement activities.

I am a participant of the procurement initiative for the Request for Proposal (“RFP”) [RFP Number and Title] as a [Role and Title].

I acknowledge that I will acquire certain knowledge or receive certain written or oral information (collectively, the Information) which is non-public, confidential or proprietary to the proponents responding to the RFP. If unauthorized parties receive the Information, the interests of either the proponent or Carleton University may be severely damaged.

I agree that, unless required by law or in the course of the procurement process, I will keep all the Information confidential. I will not, without the written consent of the Carleton University reveal or disclose it to anyone. Nor will I use it directly or indirectly for any purpose other than to gather requirements, develop RFP content, evaluate the proposals or advise regarding the Carleton University selection of the proponent for the procurement initiative.

I further agree not to copy or circulate the Information except as a result of the written direction of Carleton University. I agree to keep Carleton University all the procurement documents and templates and written information relating to the RFP in a secure place and to return this documentation at their written Carleton University request. I also agree not to initiate or respond to any external inquiry relating to the RFP.

In addition, unless otherwise required by law, or having obtained the written consent of Carleton University, I will not disclose to any person (other than persons authorized by) any information Carleton University about the project and the proposals submitted in response to the RFP. This includes the terms, conditions or other facts relating to the project, the evaluation, the matters discussed by the Evaluation Team and the proposals. This also includes, but is not limited to, the fact that discussions are taking place with respect to these things and their status, or the fact that the Information has been made available to me.

I understand and agree that any delay or failure by in Carleton University exercising its rights, powers or privilege does not free me from these obligations. Nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege there under.

Signature

Print Name

Date

Please return to **[Procurement Lead or Bid Administrator name]** Thank you.