

ADMINISTRATIVE OPERATING PROCEDURE

Purchasing	
Procedure ID:	#4-411 OP
Approved by:	Executive Leaders Team
Effective Date:	March 24, 2016
Next Review Date:	2019
Monitoring Responsibility:	Director, Purchasing
Linked to a College Policy:	<input checked="" type="checkbox"/> Yes # 4-411 <i>Purchasing</i> <input type="checkbox"/> No

Policy Statement

Sir Sandford Fleming College's purchasing policy is intended to ensure the quality of acquisitions and the College's integrity with regard to competition and the fairness of its practices in the spending of public funds.

Definitions/Acronyms

Purchase Order: a written offer made by a purchaser to a supplier formally stating the terms and conditions of a proposed transaction.

Request for Proposal (RFP): a document used to request suppliers to supply solutions for the delivery of complex products or 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.

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 the College.

Approval Authority: the authority delegated by the College to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan-to-pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.

Operating Procedure

1.0 PURCHASING RESPONSIBILITY

All Purchasing for the College shall be overseen by the Purchasing Department.

2.0 PURCHASE ORDERS

2.1 Will be required for:

- 2.1.1 Goods containing a warranty and services provided on Fleming property, regardless of dollar value;
- 2.1.2 Goods and non-consulting services with a value of \$5,000.00 (before taxes) or over and;
- 2.1.3 Consulting services, regardless of dollar value.

2.2 Will be signed by the Director of Purchasing or designate.

3.0 QUOTATIONS/TENDER PRICE GUIDELINES

Goods and non-consulting services which do not require a purchase order are to have a minimum of one quotation, these quotations are not required to be sent to the Purchasing Department.

For goods and services requiring a purchase order the following applies and will be requested by the Purchasing Department:

- 3.1 For goods and non-consulting services with a value of \$5,000.00 (before taxes) or over, but under \$25,000.00 (before taxes), three formal quotations are required.
- 3.2 For goods and non-consulting services with a value of \$25,000.00 (before taxes) or over, but under \$100,000.00 (before taxes), a formal RFx (RFP, RFQ, RFT) and minimum three formal quotations are required.
- 3.3 For goods and non-consulting services with a value of \$100,000.00 (before taxes) and over the public tendering process is to be followed.
- 3.4 For consulting services with a value of up to \$99,999.99 (before taxes), an invitational competitive process with a minimum three formal quotations or the public tendering process is to be followed.
- 3.5 For consulting services with a value of \$100,000.00 (before taxes) and over the public tendering process is to be followed.
- 3.6 Procurement Requirements Summary:

Goods and Non-Consulting Services	
Value (before taxes)	Quotations
\$0.00 - \$4,999.99	1
\$5,000.00 - \$24,999.99	3 formal
\$25,000.00 - \$99,999.99	RFx, minimum 3 formal quotes
\$100,000.00 or more	Public Tender/RFP

Consulting Services	
Value (before taxes)	Quotations
\$0.00 - \$99,999.99	Invitational Competitive (minimum 3 formal quotes) or Public Tender
\$100,000.00 or more	Public Tender/RFP

- 3.7 "Single Source" or "one-of-a-kind items" require non-competitive approval.

4.0 CAPITAL ASSET EXPENDITURES

- 4.1 The definition of a capital asset is an item that has:
 - i. A unit price of \$5,000.00 or more excluding tax.
 - ii. A life expectancy greater than one year.

iii. Is not consumable.

- 4.2 All capital investment plans and major projects via the budget process are to be submitted to the Board at the beginning of each fiscal year.
- 4.3 All capital investment plans that change in priority or scope amounting to \$50,000 or more during the fiscal year are to be resubmitted to the Board for approval.
- 4.4 All changes under \$50,000 on the capital investment plans that change in priority or scope during the fiscal year can be done without approval of the Board. A fully revised investment plan will be submitted to the Board for as information through the budget update process.
- 4.5 Emergency approvals - when approval for the vendor or service is needed before the next scheduled Board meeting, approval can be obtained from the Chair of the Board of Governors, or designate, on the written recommendation of the Vice President Finance and Administration. In the case of emergency approvals, the item will be brought forward to the Board Executive. This procedure is to be used only when the time lag will seriously hamper the deadlines set to finish the project.

5.0 TENDERING

All tendering will be done by the Purchasing Department in cooperation with the requesting department in order to ensure that the expenditure of public funds for the acquisition of goods and services are carried out in a fair and equitable manner and is above reproach.

6.0 UNAUTHORIZED PURCHASES

Any purchase or commitment made in the name of the College without an authorized Purchase Order (if required as per Section 2.0) will be considered an obligation of the person making the purchase. The College retains the right to refuse payment for such a purchase.

7.0 APPROVAL AUTHORITY SCHEDULE (AAS)

The approval authority schedule for procurement of goods and non-consulting services is established for different dollar thresholds as follows:

Purchasing Authority Level	Total Value of Commitment	Capital Equipment Purchases	General Supplies & Non-Consulting Services
Budget Manager	To \$99,999	Approval of Requisition	Approval of Requisition
Members of the Executive Leaders Team who report directly to the President	\$100,000 to \$499,999	Approval of Requisition	Approval of Requisition
President	\$500,000 to \$999,999	Approval of Requisition	Approval of Requisition
Board of Governors	\$1 Million and above	Approval required where costs are \$1 Million and above and obtained via Board motion	Approval required where costs are \$1 Million and above and obtained via Board motion

All equipment, services and project purchases between \$500,000 and \$999,999 will be reported on a quarterly basis, for information, to the Board of Governors.

8.0 SMALL DOLLAR PURCHASES

8.1 Petty Cash

- i. The dollar limit for purchase through Petty Cash is \$100.00.

8.2 Credit Card

- i. The Budget Manager would authorize the issuance of a credit card for appropriate individuals in their area.
- ii. Approved "Employee Visa Card Application" forms will be sent to the Purchasing department for processing.
- iii. A separate card number with the name of the College and the individuals name would be issued. The card holder is not to loan the card out to anyone. The card is only for the individual assigned the card. A set credit limit will be assigned to each card holder based on the activity of this individual.
- iv. The card is only to be used for College purchases in which a purchase order is not required.
- v. The maximum amount for any individual purchase is \$4,999.99 (before taxes).
- vi. Each Visa card user would send to Accounting the required report generated through the reporting system with their expenditures for the month. The form would be due the 10th of every month.
- vii. All original itemized receipts/invoices are to accompany the report generated through the reporting system.
- viii. The individual card holder is responsible for ensuring the process is adhered to. The process will be reviewed on a routine bases to ensure it is administratively cost effective.

9.0 VENDOR RELATIONS

- 9.1 Is an integral part of the good standing of the College in its environment.

- 9.2 Will be governed by a Code of Ethics. Of special importance are the following standards of conduct:

- Accord courteous service and fair treatment to all suppliers.
- Guarantee the confidentiality of prices and all information provided by suppliers, before and after the order has been placed subject to the Freedom of Information Act.
- Decline to take advantage of supplier's errors.
- Remain scrupulously free from obligations to any supplier.

10.0 DISPOSAL OF SURPLUS GOODS AND TRADE-INS

- 10.1 Surplus goods and trade-ins are the responsibility of the Purchasing department.

- 10.2 The Purchasing department will arrange for the sale of the item(s) through a public advertised call for bids or auction at fair market value, in conjunction with the College Department involved. Currently item(s) are posted on www.govdeals.ca.

- 10.3 The highest bid will be accepted provided the bid is a fair market value for the item. The College reserves the right to decline all bids and go out for another call for bids.
- 10.4 Proceeds from the sale will be directed to the appropriate budget as determined by the Finance department. The College shall make reasonable efforts to use any funds obtained from the sale of equipment purchased using NSERC funds for research-related purposes or any other purposes as directed by NSERC.

11.0 DONATION OF SURPLUS GOODS

- 11.1 Requests for donations should be formally addressed to the College Purchasing department. The Purchasing Director shall determine if the requesting organization is a benefit charitable organization and what is the availability of the requested goods.
- 11.2 The requesting organization will be responsible for pick-up and removal and must hold the College harmless from any damages or accident. The requesting organization is responsible for all removal expenses.

12.0 TRADE-INS

Whether a fixed asset or any other College property is deemed to be more advantageously disposed of by trade-in shall be determined by the Purchasing department and the Operating department involved.

13.0 LOAN OF COLLEGE EQUIPMENT

The College does not permit the loan of College equipment.

14.0 PRODUCT ENDORSEMENT

- 14.1 No supplier of material/equipment or service shall use the College name without authorization from the Purchasing Department in order to protect the College name and reputation. This includes the use of all College trademarks in any form.
- 14.2 When any department or person is approached from a company seeking the College's name for product endorsement, they should refer the person to see the Purchasing department.
- 14.3 The Purchasing department will seek approval from the Marketing department as required.

15.0 CAPITAL ASSETS INVENTORY

- 15.1 The College shall maintain a centralized record of all fixed assets, having a unit value of \$5,000.00 (before taxes) or more and a useful life of more than one year. This centralized list is called a "Fixed Assets Listing". This list should reflect all purchases, donations, transfers, and disposals that occur.
- 15.2 The College shall also, on a rotating basis, perform physical checks on assets listed. The "Fixed Assets Listing" shall be balanced and reconciled to the General Ledger annually.
- 15.3 Inventory theft is to be reported to the Office of the Vice President of Finance and Administration.

Related Documents

- College Policy #4-411, *Purchasing*
- College Policy #4-404, *Employee Conflict of Interest*

Appendices

None.

History of Amendments/Reviews:

Section(s)	Date	Comments
Procedure review, section 4.5 revised	June 2009	(Resolution BoG June 24-2009 #5)
Procedure review, section 4.1 (i) revised	March 2011	(Resolution BoG March 23-2011 #6)
New authority level; revised threshold for Board approval	March 2016	New format, separating operating procedure from policy