

PROCUREMENT POLICY			
Effective Date	October 23, 2018	Policy Type	Administrative
Responsibility	Director, Financial Services	Cross-Reference	1. Contract Management Policy 2. Employee Code of Conduct Policy 3. Financial Signing Authority Policy 4. Fixed Asset Capitalization Policy 5. One-time Service Provider Form 6. Research Grants Policy 7. Sole Source Justification and Approval Form 8. Style Guide 9. Traditional Gift for Indigenous Guest Form 10. Vendor Approval Process and Form
Approver	Executive Council		
Review Schedule	Every 5 years		
		Appendices	1. Forms of Procurement 2. Price Quotes

1. Policy Statement

- 1.1. Procurement of goods and/or services are essential to the operations of Grande Prairie Regional College (“GPRC” or the “College”). This policy provides guidance for procurement practices, which are responsible, accountable, transparent, and compliant with internal policies as well as applicable government legislation.
- 1.2. Donor, grantor or funding agency restrictions may require other additional procurement criteria and standards. In these circumstances the College policy and funder requirements will be applied in tandem, or at the highest standard. Refer to *Research Grants Policy*.

2. Background

- 2.1 A well-defined policy can reduce the risk of inappropriate, biased, and uncompetitive procurement practices.

3. Policy Objectives

- 3.1 As a publicly funded institution, GPRC is accountable for the effective and prudent stewardship of College funds. The objective of this policy is to facilitate transparent, fair and unbiased procurement practices that meet the required quality and safety standards while providing the best value for goods and/or services.
- 3.2 In addition, the objective of this policy is to ensure compliance with government legislation, including but not limited to:
 - 3.2.1 Canada European Union Comprehensive & Economic Trade Agreement (CETA)
 - 3.2.2 Canadian Free Trade Agreement (CFTA)
 - 3.2.3 Freedom of Information and the Protection of Privacy Act (FOIP)
 - 3.2.4 New West Partnership Trade Agreement (NWPTA)
 - 3.2.5 Trade, Investment, and Labour Mobility Agreement (TILMA)

4. Scope

- 4.1 This policy applies to all employees of GPRC, as well as contractors and consultants while engaged by the College and who are involved in the procurement of construction, goods and/or services. It encompasses all purchases processed with funds administered by GPRC including funds held on behalf of others.

5. Definitions

- 5.1 “Best Value” the greatest overall benefit of a purchase taking into consideration factors such as quality, service, pricing, and capabilities.
- 5.2 “Capital Assets” are goods which have a useful life of more than one year, are not for sale as part of normal business operations, has an identity that does not change with use and the purchase price is over the established capital threshold. Refer to the *Fixed Asset Capitalization Policy*.
- 5.3 “Competitive Bidding” is a procurement process, where procurement needs or intentions of an entity are posted on a public electronic bidding system and is open to all interested parties desiring to participate and respond. Competitive bidding may also be referred to as tendering and includes Request for Proposal (RFP) or Request for Quote (RFQ). The process must be non-discriminatory, fair, open and transparent. All competitive bids must be posted on the Alberta Purchasing Connection (APC). Other acceptable public tendering services in conjunction with APC are MERX and COOLNet.
- 5.4 “Construction” is the construction, reconstruction, demolition, repair, or renovation of a building, structure or other civil engineering or architectural work. It 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. It does not include consulting services related to the construction contract unless they are included in the purchase.
- 5.5 “Consulting Service” are services provided by an independent contractor that has specialized knowledge, skills or experience; is hired to accomplish specific study, project, task, or other work statement; and provides professional opinions, judgement, or recommendations to GPRC.
- 5.6 “Contract” is a legal, written agreement between two or more parties to complete specific deliverables and outcomes which can involve certain services or provide goods in exchange for money or other remuneration. This includes creating an obligation, receipt of an asset, memorandums of understanding or sharing of information on behalf of the College.
- 5.7 “Direct Award” means an award of a contract to a supplier without engaging in the quoting or competitive bidding process.
- 5.8 “Market Research” documented evidence from independent sources such as written quotes, catalogues, online stores, or market rates from reputable sources.
- 5.9 “One-over-One Designated Signing Authority” is normally authorization by the supervisor of the individual initiating a commitment, financial or otherwise on behalf of the College. Refer to *Contract Management Policy*.

- 5.10 “Procurement” is the process of buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any goods and/or services. It also encompasses all activities pertaining to procurement including determination of procurement requirements (e.g. business needs), method of procurement, preparation and award of a contract and all phases of contract administration.
- 5.11 “Professional Service” professional or technical, infrequent and unique functions performed by licensed professionals whose occupation is the rendering of such services in accounting, architectural, engineering, treasury, and legal fields.
- 5.12 “Purchase Order” is a legally binding agreement provided to vendors to place an official order of goods and/or services. A purchase order with an authorized signature is authority to purchase on behalf of GPRC.
- 5.13 “Purchase Value” estimated total maximum value of the purchase, whether awarded to one or more suppliers, taking into account all forms of remuneration to be paid to a supplier over the length of the contract including premiums, fees, commissions, interest, and the total value of optional renewals.
- 5.14 “Quote” is a written statement of price, terms of sale and description of goods and/or services offered by a vendor.
- 5.15 “Repairs and Maintenance” are expenses incurred to restore an asset to its original operating condition or keep an asset in its current operating condition. Preventative maintenance is performed with the intent of avoiding failures, safety violations, or equipment breakdown. Corrective maintenance is repair of equipment after break-down or malfunction. Incidental repairs and maintenance, are considered goods and services, for the purpose of procurement thresholds.
- 5.16 “Signing Authority” is a person to whom authority has been delegated to sign or make a commitment on behalf of the College. Refer to *Financial Signing Authority Policy*.
- 5.17 “Single or Sole Source” is the procurement of goods and/or services from a supplier in the absence of a competitive procurement process. Single sourcing means a selection of a specific supplier, without competition, where there are multiple suppliers able to meet the requirements of the purchase. Sole Sourcing means a selection of a specific supplier, where it can be demonstrated that only one supplier is able to meet the requirements of the purchase.
- 5.18 “Vendor” includes the supplier or potential supplier of goods and/or services which may also be referred to as a contractor, consultant, or professional services company.

6. Guiding Principles

- 6.1 Procurement activities must be conducted in a manner that reflects regard for economy with reasonable judgement. Procurement practices must be able to withstand audit scrutiny and be defensible to an impartial observer.
- 6.2 Those engaged in procurement on behalf of the College must:
 - 6.2.1 Maintain impartiality throughout the entire procurement process, refer to Employee Code of Conduct Policy;
 - 6.2.2 Refrain from receiving or seeking gifts, discounts, or other means of personal gain through procurement activities;

- 6.2.3 Avoid conflict of interest or perceived conflict of interest situations, by declaring the conflict, and if appropriate, removing themselves from the procurement process, refer to the Employee Code of Conduct Policy;
 - 6.2.4 Refrain from splitting purchases into smaller transactions in an attempt to circumvent tendering requirements required by legislation and internal policy, as well as signing authority levels, refer to *Financial Signing Authority Policy*; and
 - 6.2.5 Treat potential and existing suppliers with equality and fairness while maintaining confidentiality of commercially sensitive information such as prices, discounts, product information, and responses to proposals.
- 6.3 In non-competitive procurement, goods and/or services should be purchased from Canadian and United States of America (USA) suppliers, where possible and economical. Purchases from other international suppliers require evidence of market research identifying Canadian and USA suppliers, product descriptions, prices, and provide sound reasoning for purchasing internationally.
- 6.4 Prior to engagement of any goods and/or services with new vendors, contractors, and individuals, a Vendor Application Form must be completed by the vendor and submitted to Financial Services for approval. The vendor will be reviewed for suitability, including but not limited to, legal status with Canada Revenue Agency (CRA); Workers Compensation Board (WCB) coverage; as well as service reputation, quality, timeliness and the existence of an actual or perceived conflict of interest. Refer to *Vendor Approval Process and Form*.
- 6.5 Vendors performing repairs, maintenance, or construction services on property owned or occupied by GPRC are required to provide evidence of liability insurance prior to issuance of an approved purchase order, contract, or prior to the performance of work. Proof of liability insurance may be requested of *any* vendor, performing services of any type, at the discretion of Financial Services.
- 6.6 A Contract is required to be signed prior to ordering goods and/or services, or work commencing when:
- 6.6.1 the work being performed is considered Consulting or Professional Services;
 - 6.6.2 the services will be completed over a period of time greater than 7 days;
 - 6.6.3 the services involve complex or specific terms and conditions; or
 - 6.6.4 the goods vary from what would normally be available, are complex, or include a significant amount of customization.
- 6.7 Purchase Orders are required to accompany contracts that have re-occurring payments.
- 6.8 Purchase orders are an accepted method of procurement when:
- 6.8.1 the transaction is single and short term;
 - 6.8.2 the goods and/or services, or work performed is considered low-risk;
 - 6.8.3 the goods and/or services are standard and readily available.
- 6.9 Procurement of one-time services and traditional gifts for indigenous speakers, require the completion of One-Time Service Provider Form, or Traditional Gift for Indigenous Guest Form. Refer to *Contract Management Policy*.
- 6.10 Recommended forms of procurement are a contract or purchase order, however there are other acceptable forms of procurement in certain circumstances. Refer to *Appendix 1 – Forms of Procurement*.

- 6.11 Prior to the purchase of any good and/or service a purchase order must be initiated by the procurer and approved in the requisitioning system by a one-over-one designated signing authority responsible for the funds.
- 6.12 Service departments such as Information Technology may initiate purchase orders on behalf of other departments; in this case, the approval of an authorized signing officer responsible for the expense is required. Refer to *Financial Signing Authority Policy*.
- 6.13 Amendments to purchase orders require approval by the authorized signing authority based on the total revised purchase order value. Accounts Payable will amend the purchase order after the approval is received.
- 6.14 Purchase orders can be cancelled by the procurer with regard to binding obligations, through a written request to Accounts Payable, who may request one-over-one authorization.
- 6.15 Vendors who produce and/or sell products using the GPRC name, logos, trademarks, etc. must be compliant with the most recent Visual Identity Standards and have approval from Communications and Marketing. Refer to *Style Guide*.
- 6.16 The procuring department should determine the purchase value of the goods and/or services required, then select a purchasing method based on the established procurement price thresholds. If assistance is needed, Financial Services will calculate the purchase value for the procuring department. Refer to *Appendix 2 – Procurement Price Thresholds*.
- 6.17 Evidence of Market Research, Quotes or Competitive Bidding, as well as written best value rationale for the selected vendor is required to accompany the purchase order or contract documentation, prior to approval. Refer to *Appendix 2 – Procurement Price Thresholds*.
- 6.18 Purchases over \$100 which require reimbursement should be paid for by electronic means such as debit card or credit card. Both the itemized receipt and electronic payment receipt are required to accompany the claim for reimbursement.
- 6.19 Reimbursement of expenses incurred from a vendor not on the currently approved vendor list, may be required to be vetted through the vendor approval process prior to the claim being reimbursed to the claimant.

7. Goods and Services

- 7.1 GPRC departments are authorized to carry out budgeted procurement for the acquisition of routine operational goods and/or services within delegated authority limits.
- 7.2 Departments procuring goods and/or services are responsible for keeping warranty documents. Secondary copies may be stored in Financial Services, when provided by the procurer.
- 7.3 Capital purchases must be supported by the Dean/Director and approved by the Vice-President, Administration and/or the President, prior to ordering.

8. Computer Equipment

- 8.1 The following applies to all computer and media equipment, including computer systems and peripherals (i.e. hardware, software, monitors, printers, cameras, data projectors, and audio equipment).

- 8.2 The following excludes purchases made with Professional Development funds which are purchased by the employee and reimbursed to them directly. The College's Information Technology department will not be involved or assist in making these computer equipment purchases.
- 8.3 Departments are required to provide Information Technology or Event Services with the details for computer and media equipment to ensure consistent specifications, quality and prices are viable prior to ordering. When the requirements are met, Information Technology or Event Services will complete the purchase.

9. Furniture and Office Equipment

- 9.1 Departments are required to contact Facilities – Maintenance and Operations with details for furniture and office equipment to ensure consistent specifications, quality and prices are viable prior to ordering.

10. Electrical and Mechanical Equipment

- 10.1 Departments are required to contact Facilities – Maintenance and Operations prior to purchasing equipment requiring electrical or mechanical connections or renovations to facilities for approval and cost estimates.

11. Construction

- 11.1 Departments are not permitted to procure any construction or renovation projects. All projects of this nature are required to be approved by Executive Council, and managed by Facilities - Maintenance and Operations.

12. Single/Sole Sourcing

- 12.1 Single and Sole Sourcing directly awards a contract to a vendor without engaging in a quoting or competitive bidding process. Engaging in a direct award using single/sole source rationale should not be used to avoid competition, discriminate against, or protect suppliers, and is in contravention of government legislation.
- 12.2 Direct awarding may be exempt from the quoting process or competitive bidding, if one or more of the following criteria are met:
 - 12.2.1 It is demonstrated that only one supplier is able to meet the requirements of a procurement
 - 12.2.2 The good and/or service must be purchased from a specific supplier to ensure compatibility with existing equipment, methods or software, including:
 - 12.2.2.1 Repair parts from original equipment manufacturers.
 - 12.2.2.2 Maintenance service contracts from an original equipment manufacturer to maintain the warranty or otherwise.
 - 12.2.2.3 The product is unique software that exclusively satisfies specific program or educational requirements.
 - 12.2.3 Unforeseeable situation of urgency exists requiring delivery within time frames that:
 - 12.2.3.1 Cannot be met by other suppliers or
 - 12.2.3.2 May be significantly delayed by conducting a tendering or competitive process
- 12.3 A request to Single or Sole Source must be submitted to the Director, Financial Services for approval prior to awarding, where reasonable, and non-emergent. Refer to *Sole Source Justification and Approval Form*.

12.4 If the Single or Sole Source request is above the competitive bidding thresholds, the request will require approval of the Vice President, Administration and the Executive of the procuring department. If the Vice President, Administration is the Executive of the procuring department, approval is required by the President.

13. Policy Compliance

13.1 Non-compliance with this policy may result in disciplinary action up to and including dismissal or termination of employment contract. Further, should any claims, damages or other consequences arise from non-compliance with this policy, the Board may seek indemnification from the individual involved.

13.2 Vendors with complaints of unfair treatment or unethical or illegal procurement practices at GPRC should contact the Vice-President Administration. GPRC will thoroughly and impartially investigate and address all vendor complaints brought forward.

14. Roles and Responsibilities

STAKEHOLDER	RESPONSIBILITIES
Executive Council	<ul style="list-style-type: none"> • Approve and formally support this policy • Approve Construction Projects • Review and approve Single or Sole Source requests
Vice President, Administration	<ul style="list-style-type: none"> • Review vendor complaints of unfair, unethical, or illegal procurement practices, and investigate, where appropriate. • Review for approval, capital requests • Review and approve Single or Sole Source requests • Approve any exceptions to the requirements of this policy
Department Dean or Director	<ul style="list-style-type: none"> • Ensure staff follow the requirements of this policy • Review capital requests for support and further approval
Director, Financial Services	<ul style="list-style-type: none"> • Develop, maintain and oversee the implementation of this policy • Ensure appropriate controls are in place over procurement • Review and approve Single or Sole Source requests
Financial Services Staff	<ul style="list-style-type: none"> • Ensure that procurement practices are in compliance with this policy • Review for suitability, new vendor applications • Process payments to suppliers, vendors, and contractors, once required documentation is obtained and approved • Properly record expenses to the general ledger
Procurer/Delegated Purchasing Authority	<ul style="list-style-type: none"> • Follow the requirements of this policy • Facilitate completion of new Vendor Application Forms • Provide quotes or evidence of market research where required by this policy • Publicly tender procurement opportunities over the legislated thresholds • Maintain warranty documents

15. Exceptions to the Policy

- 15.1 Exceptions to the guiding principles in this policy must be documented and formally approved by the Vice-President, Administration.
- 15.2 Policy exceptions must describe:
 - 15.2.1 The nature of the exception
 - 15.2.2 A reasonable explanation for why the policy exception is required
 - 15.2.3 Any risks created by the policy exception
 - 15.2.4 Evidence of approval by the Vice-President, Administration

16. Inquiries

- 16.1 Inquiries regarding this policy can be directed to the Director, Financial Services.

17. Amendments (Revision History)

- 17.1 Amendments to this policy will be published from time to time and circulated to the College community.

APPENDIX 1: FORMS OF PROCUREMENT

	PURCHASE METHOD	THRESHOLD	CHARACTERISTICS
Goods	Purchase Order	> \$0	<ul style="list-style-type: none"> • Preferred Method over Credit Card • Single short term transactions • Low risk transactions or industries • Standard products • Subscriptions
	Contract	> \$0	<ul style="list-style-type: none"> • Long Term agreements • Legally binding • High risk transactions or industries • Clearly defined standards for the goods developed • Specific and/or complex terms and conditions
	Credit Card	\$0 - \$750	<ul style="list-style-type: none"> • When vendor does not accept POs • Nominal supplies • Travel and related expenses • Hospitality and community stewardship expenses
	Petty Cash	\$0 - \$100	<ul style="list-style-type: none"> • Excludes travel • Used when unable to use GPRC Procurement Card or Credit Card
	Payment Request	> \$0	<ul style="list-style-type: none"> • For payments of goods and services that cannot be acquired using the above listed methods.

Services Including Consulting Services	Purchase Order	> \$0	<ul style="list-style-type: none"> • Single short term transactions • Low risk transactions or industries • Emergency situations
	Contract	> \$0	<ul style="list-style-type: none"> • Long Term agreements • Legally binding • High risk transactions or industries • Clearly defined performance standards • Specific and/or complex terms and conditions • Contractor is on GPRC property
	Payment Request	> \$0	<ul style="list-style-type: none"> • For payments of goods and services that cannot be acquired using the above listed methods.
	One Time Service Provider	< \$7,500	<ul style="list-style-type: none"> • Contractor is only providing a service one time in the Fiscal year • The duration of work is less than 7 consecutive days • Guest Speaker, Visitor in the arts or one time event performer
	Traditional Gift for Indigenous Speaker	< \$2,000	<ul style="list-style-type: none"> • Indigenous Guest

Construction	Purchase Order	> \$0	<ul style="list-style-type: none">• Single short term transactions• Low risk transactions• Emergency situations
	Contract	> \$0	<ul style="list-style-type: none">• Long Term agreements• Legally binding• High risk transactions or industries• Clearly defined performance standards• Specific and/or complex terms and conditions

APPENDIX 2: PROCUREMENT PRICE THRESHOLDS

	PURCHASE VALUE	RECOMMENDED	REQUIRED
Goods & Services	<\$7,500	Market Research	-
	\$7,500– \$75,000	-	3 Written Quotes or Evidence of Market Research
	> \$75,000	-	Competitive Bidding*
Consulting Services	<\$25,000	Market Research	-
	\$25,000– \$75,000	-	3 Written Quotes or Evidence of Market Research
	> \$75,000	-	Competitive Bidding*
Construction	< \$50,000	Market Research	-
	\$50,000 - \$200,000	-	3 Written Quotes or Evidence of Market Research
	> \$200,000	-	Competitive Bidding*
Professional Services	< \$75,000	Market Research	-
	> \$75,000	-	Competitive Bidding*

*Legislative requirement per Trade, Investment and Labour, Mobility Agreement (TILMA). Some procurement exceptions may apply, see www.tilma.ca for more details.