

PROCUREMENT POLICY			
Effective Date	April 18, 2023	Policy Type	Administrative
Responsibility	Vice President Corporate Services (policy owner) Director, Financial Services (policy manager)	Related Policies	Employee Code of Conduct, Contract Management Policy, Financial Signing Authority Policy, Records Management Policy, One-time Service Provider Form, Sole Source Justification and Approval Form, Traditional Gift for Indigenous Guest Form, Vendor Approval Process and Form
Approval Authority	Executive Council	Review Schedule	Every five years

1. Policy Statement:

1.1 Northwestern Polytechnic (NWP) shall procure all Goods, Services and Construction necessary for the provision of Services through fair, publicly accountable, open, and transparent processes in compliance with governing legislation, bylaws, and trade agreements. Procurement decisions shall be made to support the Polytechnic's strategic objectives and are assessed based on obtaining the best value for NWP. The Polytechnic is committed to acting ethically in its Procurement activities to minimize organizational risk.

2. Scope:

2.1 This policy applies to all Employees of Northwestern Polytechnic, as well as contractors and consultants while engaged by the Polytechnic and who are involved in the Procurement of Construction, Goods and/or Services. It encompasses all purchases processed with funds administered by NWP including funds held on behalf of others.

3. Reason for Policy:

3.1 This policy and related procedures are intended to:

- Increase the effectiveness of NWP's Procurement operations by providing simple, clear and consistent direction based on sound Procurement practices;
- Specify the responsibilities of NWP Employees and Vendors at each stage of the Procurement process; and
- Reduce purchasing costs.

4. Definitions:

- 4.1 **Budget Owner:** An Employee who has been assigned a Cost Centre budget in the financial system and therefore has signing authority to make expenditures within the scope of his/her budget under the *Financial Signing Authority Policy*.
- 4.2 **Cost Centre:** An NWP Account Category which represents an organizational segment of the Polytechnic.
- 4.3 **Construction:** A 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.
- 4.4 **Direct Award:** An award of a contract to a Vendor without engaging in the quoting or competitive bidding process.
- 4.5 **Emergency:** An occurrence or situation which could jeopardize the safety, health or welfare of people or the protection of property within an NWP campus.
- 4.6 **Employee:** means an individual employed by the Polytechnic on a permanent, temporary or casual basis.
- 4.7 **Goods:** means property (including the costs of installing, maintaining, or manufacturing such moveable property), including raw materials, products, equipment, and other objects of every kind and description whether in solid, liquid, gaseous, or electronic form.
- 4.8 **Polytechnic:** Northwestern Polytechnic, a post-secondary institution operating in the Province of Alberta.
- 4.9 **Procurement:** Any contractual or commercial arrangement involving the acquisition of a Good, Service or Construction through purchase, rental, lease, or conditional sale for the provision of Polytechnic services.
- 4.10 **Procurement Officer:** An Employee given the responsibility of ensuring adequate Procurement processes and controls are in place so that all purchases follow the guidelines set out herein, and as defined within the Procurement Procedure.
- 4.11 **Reciprocal Non-discrimination:** Consideration provided to all Vendors through the competitive process regardless of their geographic location and in accordance with trade treaties.
- 4.12 **RFx:** The entire formal request process and can include any of the following: request for bid, request for proposal, request for quotation, or request for tender.

- 4.13 **Services:** All services to be supplied, including but not limited to consulting and professional services.
- 4.14 **Unsolicited Proposal:** means a proposal received by the Polytechnic that is independently developed and prepared without the Polytechnic's supervision, endorsement, direction, or involvement.
- 4.15 **Vendor:** Any individual or business, in any form, who may from time-to-time conduct business with the Polytechnic or submit bids, proposals, quotes or tenders to the Polytechnic.
- 4.16 **Cooperative Purchasing Agreement:** A Procurement arrangement that authorizes one or more qualified Vendors to provide Goods and Services for a defined period on terms and conditions, including pricing, as set out by contract.

5. Guiding Principles:

- 5.1 A Budget Owner may only make an expenditure that is:
 - Included in an operating budget, interim operating budget, capital budget or otherwise approved by NWP's Board of Governors;
 - For an Emergency; or
 - Legally required to be paid.
- 5.2 NWP supports open and non-discriminatory procedures for the purchase of Goods, Services and Construction. This is done with consideration to these key principles:
 - regulatory compliance;
 - best value for money;
 - open and fair competition;
 - risk management;
 - procedural integrity and transparency; and
 - environmental stewardship.

5.3 Regulatory Compliance

- 5.3.1 All Procurement in NWP must be compliant with all laws, regulations, and standards, including but not limited to:
 - Post Secondary Learning Act and Regulations;
 - Income Tax Act and Regulations;
 - Excise Tax Act and Regulations;
 - Occupational Health and Safety Act and Regulations;
 - Workers' Compensation Act and Regulations;
 - Freedom of Information and Protection of Privacy Act and Regulations (FOIP);
 - Competition Act and Regulations; and
 - NWP's policies, directives, and procedures.
- 5.3.2 In addition, this policy is to ensure compliance with government legislation, including but not limited to:

- Canada European Union Comprehensive & Economic Trade Agreement (CETA)
- Canadian Free Trade Agreement (CFTA)
- New West Partnership Trade Agreement (NWPTA)
- Trade, Investment, and Labour Mobility Agreement (TILMA)

5.4 Best Value for Money:

5.4.1 The Polytechnic encourages the consideration of overall best value in the Procurement of Goods and Services. NWP Employees will consider and evaluate the relevant financial and non-financial factors prior to commencing competitive processes and select the Vendor that offers the best value consistent with the required quality and service.

5.4.2 Factors that shall be considered in determining best value may include, but are not limited to:

- Price, including delivery and implementation or set up costs;
- Operating costs, including maintenance and life cycle costs;
- Performance and reliability of product or service;
- Salvage value and disposal costs;
- Availability and timeliness of delivery;
- Quality, serviceability and warranties;
- Vendor experience, expertise, capacity, and capability to meet predefined requirements;
- References regarding past performance from other customers of the Vendor and the Polytechnic's previous experience with the Vendor;
- Value-added benefits to the Polytechnic;
- Environmental and ethical impacts of producing the Goods, Services or Construction and the Goods, Services or Construction themselves.

5.5 Open and Fair Competition:

5.5.1 All Procurement by the Polytechnic shall be fair and impartially conducted, free of real or perceived conflicts of interest, ensuring that qualified Vendors have reasonable access to the Polytechnic's business and no Vendor is arbitrarily excluded.

5.5.2 This includes avoiding creating relationships that result in continuous reliance on a Vendor for specific Goods, Services or Construction.

5.5.3 Procurement Officer(s) shall treat all Vendors fairly, including managing Vendor complaints or disputes, providing feedback to unsuccessful Vendors upon request, and maintaining records on Vendors' performance under contracts.

5.5.4 Employees shall ensure specifications in Procurement competitions are performance based, accurate, and clear:

- Focus criteria on outcomes rather than how the outcome is achieved;
- Based on standards, should they exist;
- Refrain from specifications and technical requirements that are brand specific; and

- Fully disclose the evaluation methodology in the RFX including a clear articulation of all mandatory and point-rated requirements, including pass/fail criteria and all scoring weights.

5.5.5 NWP will practice Reciprocal Non-discrimination with respect to Alberta's trading partners.

5.6 Risk Management:

5.6.1 Procurement activities will be performed in accordance with NWP's Risk Management Policy.

5.7 Procedural Integrity and Transparency:

5.7.1 NWP is committed to acting ethically in its Procurement practices. This means that all individuals involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. This includes acting with due diligence and respecting NWP, its Vendors, other stakeholders, and the environment.

5.7.2 Confidential information will be safeguarded in accordance with the Freedom of Information and Protection of Privacy Act of Alberta and NWP policies and procedures.

5.7.3 Employees involved in establishing the specifications of needed Goods or Services, or the evaluation of a Procurement competition must remain free of any real or perceived conflicts of interest with any Vendor or potential Vendor. This includes refraining from accepting gifts or favours, providing preferential treatment or publicly endorsing Vendors or products.

5.7.4 Employees shall disclose any real or perceived conflicts of interest with a Vendor or potential Vendor as soon as they become aware of the conflict. Such Vendors will not be disqualified due to the existence of a conflict of interest provided it is properly disclosed and the conflicted Employee is removed from any portion of the Vendor selection process.

5.7.5 For the purposes of this section, Vendor shall be deemed to include any related entity and any partner, principal, director, or officer of such Vendor as well as any other legal entity with one or more of the same partner(s), principal(s), director(s), or officer(s).

5.7.6 A Vendor may be excluded from eligibility to submit a bid, proposal or quote or a submitted bid, proposal or quote may be summarily rejected and returned to a Vendor where the Polytechnic, in its absolute sole discretion, determines that one of the following circumstances has occurred:

- The Vendor is or has been involved in litigation with the Polytechnic;
- The Vendor has failed to pay an amount owed to the Polytechnic when due and owing;
- There is documented evidence of poor performance, non-performance or default by the Vendor in relation to any contract with NWP;

- The Vendor has been convicted of a criminal offence including but not limited to fraud or theft; or
- The Vendor has been convicted of any quasi-criminal offence pursuant to applicable legislation or regulations including but not limited to the Occupational Health and Safety Act, where the circumstances of that conviction demonstrate a disregard on the part of the Vendor for the health and safety of its workers, NWP Employees, or NWP students and guests.

5.8 Environmental Stewardship:

- 5.8.1 NWP is committed to environmental sustainability and stewardship. Procurement of Goods and Services, whenever practical and economically feasible, will incorporate environmentally sustainable practices and innovation into the evaluation criteria.

6. Advertising Procurement Opportunities:

- 6.1 NWP's standard for communicating competitive Procurement opportunities is through the Alberta Purchasing Connection, a web-portal which is required for advertising all Alberta public Procurement activities. All submissions must be signed by an authorized Vendor representative. Submissions must be received prior to the designated closing time. Any submission attempted or presented after closing will not be evaluated.

7. Sole Source Procurement:

- 7.1 Procurements valued at \$25,000 for Goods and Services or \$75,000 for Construction or more may be conducted by Sole Source when:
- The purchase involves matters of a confidential or privileged nature, including retaining legal services;
 - There is an absence of any bids in response to a competitive Procurement process;
 - In the event of an Emergency;
 - The Good/Service is explicitly exempted from trade agreements;
 - There is only 1 available supplier of a required Good, Service, or Construction that meets the Polytechnic's needs.
- 7.2 Advance Contract Award Notifications (ACAN) will be posted to the Alberta Purchasing Connection when applicable trade thresholds are met.
- 7.3 When a Sole Source Procurement is required, the Budget Owner is required to obtain prior written authorization from the Director, Financial Services.
- 7.4 The Budget Owner shall submit a Sole Source Form, appropriately signed, to the Financial Services. The Sole Source Procurement Form shall indicate the name of the Vendor, the details of the Goods or Services, the expected cost, and the rationale for conducting the Procurement by Sole Source.
- 7.5 In no case shall Sole Source Procurement be used to avoid competition or discriminate between Vendors. Every reasonable effort should be made to ensure Procurement activities are in the best value and interest of NWP.

8. Competitive Process with Negotiation

8.1 NWP may negotiate specific topics as part of the Procurement process, providing that:

- The Polytechnic has notified potential Vendors that it intends to permit negotiations in the RFX document.
- Negotiation will be limited to those topics which have been listed as subject to negotiation, including the framework, rules and timeline that will apply to the negotiation process.
- Any negotiation must be limited to the eligible Vendor(s) which has obtained the highest ranking in the evaluation process. If the negotiation terminates according to the rules set out in the RFX, the Polytechnic may commence negotiation with the next highest ranked, eligible Vendor.

9. Procurement Thresholds

9.1 To determine the appropriate approval authority and method for a given Procurement, the Budget Owner will consider all costs and benefits associated with entering into a contractual arrangement with a third party.

9.2 The Procurement value may include but are not limited to:

- The per unit price or overall cost of the Good or Service;
- One-time costs such as site preparation, delivery, installation, data migration, and documentation;
- Ongoing operating costs including operating licenses, training, support, and maintenance;
- Applicable duties, premiums, fees, commissions, and interest;
- Disposition costs;
- Options to renew or extend the term;
- Options to expand the scope;
- Any direct payments to the successful Vendor or indirect payments by third parties to the successful Vendor;
- Any conferred value by the Polytechnic to the Vendor such as the exchange of Goods or Services, revenue generating opportunities or partnership agreements. If the project is anticipated to generate revenue for NWP, the Procurement value will be based upon the total resources associated with the activity or the revenue generated by the opportunity, whichever is greater.

9.3 NWP may consider subdividing a project-related Procurement into several smaller Procurements for the purposes of complexity, size, uncertainty, or improved management control but not to circumvent approval authorities or competitive bid requirements. This includes Procurement that involves design and build phases.

10. Procurement Value Increases (Change Orders)

10.1 If the Procurement value increases for any reason during the Procurement process, the Polytechnic must use the approval authority and Procurement method applicable to the revised Procurement value. Approval for Procurement value increases remaining under the approved project budget must be sought from the appropriate Approval Authority before proceeding with or continuing the Procurement.

11. Contract Requirements

- 11.1 Notification of a contract award is only released after the contract is signed by all parties. All Vendors who participated in the Procurement process will be notified by the Procurement Officer. Vendors may request a debriefing within 30 days of award notification. Contract award notifications will also be posted on the Alberta Purchasing Connection website as required by the agreements on international trade.

12. Cooperative Purchasing Agreements (CPA)

- 12.1 CPA arrangements provide efficient access to Goods and Services that are frequently required by NWP. To maximize value of the CPA arrangement through volume discounts and to reduce administrative effort in the Procurement process, NWP Employees are encouraged to use CPA arrangements whenever possible.
- 12.2 NWP retains the right to use CPA arrangements negotiated by the Polytechnic directly, or through joint Procurement with other public sector entities.

13. Bid Dispute Process

- 13.1 A Vendor can raise concerns in connection with a Procurement process through the question-and-answer period or during a Vendor debriefing meeting after the contract has been awarded. This question-and-answer period will provide feedback on submission strengths and areas of opportunity for improvement. Points awarded to the Vendor, or other Vendors, will not be discussed. NWP encourages all Vendors to submit feedback on the process or RFX documents.
- 13.2 If the Vendor is not satisfied with the outcome of the debriefing meeting and wishes to initiate a formal bid dispute, the Vendor must submit its intent to the Director, Financial Services within 30 days of the completion of the debriefing meeting. Once a bid dispute has been received, the Director, Financial Services will initiate a formal review of the matter, consulting with legal counsel where appropriate.
- 13.3 The Director, Financial Services will prepare a written decision regarding the matter and will send it to the Vendor within 30 days of receipt of the bid dispute.

14. Unsolicited Proposals

- 14.1 NWP welcomes thoughtful, innovative, value-added ideas from Vendors; however:
- Unsolicited Proposals will not be considered which circumvent this policy or other NWP policies;
 - NWP is under no obligation to perform an evaluation of any Unsolicited Proposal;
 - NWP reserves its unilateral right to proceed, at any point, with an open competition;
 - NWP reserves the right to consider or reject any Unsolicited Proposal in whole or in part.
- 14.2 A favourable initial review by any Employee of the Polytechnic in no way implies that a contractual relationship between the Vendor and NWP exists or will at any point in the future be formed.

- 14.3 All costs associated with submitting an Unsolicited Proposal, including any subsequent demonstrations, presentations, and negotiations, are the Vendor's sole responsibility.
- 14.4 NWP will take reasonable measures to keep any proprietary information contained in an Unsolicited Proposal confidential, subject to the Polytechnic's statutory obligations under the Freedom of Information and Protection of Privacy Act.

15. Document Retention and Confidentiality

- 15.1 All Procurement documents, evaluation records and purchasing contracts will be housed within the Financial Services and retained in accordance with the *Records Management Policy* and *Contract Management Policy*. NWP will take reasonable measures to keep any proprietary information contained in Vendor proposals confidential, subject to the Polytechnic's statutory obligations under the Freedom of Information and Protection of Privacy Act.
- 15.2 The Contracts Coordinator ensures each contract is converted into a digital form and is accessible.

16. Exceptions to the Policy:

- 16.1 Exceptions to this policy must be documented and approved by the Vice-President, Corporate Services. Documentation on policy exceptions must contain:
 - A description of nature of the exception, including the date the exception expires,
 - Justification for the exception, and
 - An analysis of the risks created by the exception and alternate steps take to mitigate the risk.
- 16.2 Policy Exceptions will be tracked and stored within the Financial Services department according to the Records Management Policy.

17. Appendices:

- 17.1 Appendix A – Acceptable Methods of Procurement
- 17.2 Appendix B – Procurement Method and Approval Authority by Value

18. Revision History:

- 18.1 This policy was created October 23, 2018

Appendix A: Acceptable Methods of Procurement

Direct Award	<ul style="list-style-type: none"> • Direct purchase of Goods or Services below \$25,000, or Construction below \$75,000.
Sole Source	<ul style="list-style-type: none"> • When there is only one available Vendor of a required Good or Service as outlined below
Expression of Interest (EOI)	<ul style="list-style-type: none"> • When the number of Vendors, market size or the approach to solving a problem is unknown • When both NWP and potential Vendors would benefit from sharing information so that Vendors can better understand the Polytechnic’s needs and NWP can better understand how to frame those needs • May be used to prepare a short list of the most qualified Vendors that will subsequently be invited to submit a proposal for an RFP or Tender
Request for Prequalification (RFPQ)	<ul style="list-style-type: none"> • Used to identify a list of potential Vendors who meet the criteria to be on the Polytechnics Vendor of Record (VOR) list • Typically used on large, high risk Construction projects
Request for Quotation (RFQ)	<ul style="list-style-type: none"> • Can be used to acquire Goods or Services below \$75,000 or Construction below \$200,000 • Contract requirements are well defined • Terms and conditions do not exceed 1 year
Invitation to Tender (ITT)	<ul style="list-style-type: none"> • Primarily used for Construction contracts and other high value Procurements • Scope is well defined/ clear standards • Main criteria for evaluation are price and bidder qualifications
Request for Proposal (RFP)	<ul style="list-style-type: none"> • Criteria are less defined or no clear standard exists • Evaluation Criteria are based on best value instead of a focus on lowest price
Request for Information (RFI)	<ul style="list-style-type: none"> • Used to gather information to support a decision on next steps • Seldom the final stage and are often used in combination with another method of Procurement • Based on the responses to the RFI, companies may be shortlisted to participate in the next phase of the Competitive Selection Process

Appendix B: Procurement Method and Approval Authority by Value

This appendix should be read in conjunction with the Financial Signing Authority Policy and the Signing Authority Decision Tree

Value	Min Acceptable Procurement Method	Min Approval Authority
\$0-\$999	Direct Award Procurement Card use encouraged	Designate
\$0 - \$24,999	Direct Award	Budget Owner
\$25,000 - \$74,999	Request for Quotation Evidence of reasonable efforts to obtain 3 Quotes required or Competitive Bid process	Budget Owner
\$75,000 and over	Competitive Bid Process	Department VP
IT Equipment	Varies based on value	Director, Information Technology
Construction	Includes design consultants, architectural and engineering services	
\$0 - \$74,999	Direct Award	Director, Facilities
\$75,000 - \$199,999	Request for Quotation Evidence of reasonable efforts to obtain 3 Quotes required or Competitive Bid process	VP, Corporate Services
\$200,000 and over	Competitive Bid Process	VP, Corporate Services