

Number:	FIN-312
Title:	Purchasing Policy
Person responsible for enforcement:	Vice-Rector, Administration
Entered into force:	February 1, 2023
Approved:	February 1, 2023, by the Board of Governors <i>This document replaces all previous regulations on this subject.</i>
Exception:	No exception to this regulation without prior written authorization from the Board of Governors

In this document, the masculine form is used without prejudice and for conciseness purposes only.

1. Preamble

Saint Paul University's purchasing policy provides suppliers and members of the University community with guidelines for the acquisition of goods and services on behalf of the University.

The policy also defines specific responsibilities of various University services.

2. Objectives

The policy establishes guidelines thus ensuring that goods and services are acquired in a timely manner through a process that results in the best value for money, while complying with all applicable laws and regulations and respecting approved University budgets.

The purchasing policy is intended to foster optimal supply chain management in achieving the following objectives:

- a) obtain value for money by acquiring goods and services at the lowest cost, and securing the timely delivery of specified goods and services of appropriate quality and quantity;
- b) ensure transparency and open access to information in all dealings with suppliers;
- c) equity which presupposes objectivity in the method of award and impartiality of stakeholders in relation to suppliers, thus ensuring equal opportunities.

3. Definitions

3.1 Call for tender by written invitation

A formal process by which the purchaser issues a written invitation to qualified suppliers, selected for their reputation and skills, to submit bids to provide goods and services sought.

3.2 Public call for tender

Notice prepared and distributed by the applicant by which suppliers are asked to bid on goods and services sought by the University. The tender documents must include information concerning the goods, services or construction work required, the terms applicable to the receipt and opening of bids, eligibility and compliance requirements for tenders, and the method of allocation, that is, the criteria to be applied to the examination as well as the methods of weighing and evaluation criteria. The method of distribution of a tender must be representative of the goods, services and construction work sought. Publication in newspapers or posting on the government website MERX is suggested.

3.3 Goods

Means, in relation to public procurement, raw materials, products, supplies, equipment and other physical objects of every kind and of solid, liquid, gaseous or electronic form.

3.4 University community

Any person participating in the procurement process with institutional funds (all funds administered by Saint Paul University). External members of the Board of Governors are not included in this definition and are governed by the terms established by the Governance and Nominations Committee.

3.5 Construction and renovation

Refers to the construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work. This includes site preparation, excavation, drilling, geotechnical and environmental surveys, the supply of products and materials, the supply of equipment and machinery if they are included and incidental to the construction, the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, and expert professional consulting services related to the construction market.

3.6 Supplier

Refers to a company, business or individual who supplies goods or services.

3.7 Services

Means, in relation to public procurement, services pertaining to buildings, transportation, public services, and consultation services for surveys, design, professional advice, consulting and legal advice and settlements.

3.8 Acquisition cost

Corresponds to the total financial commitment, including all applicable fees and taxes (HST). For services, the acquisition cost also takes into account the term of the contract, excluding any optional renewals. Purchases must not be divided into smaller purchases in such a way as to limit competitiveness or deviate from the procurement process.

4. **Ethical behaviour**

Any person participating in the procurement process, be it a supplier or a representative of the University, must act, and be seen to act with integrity and professionalism, and must respect all applicable University policies and regulations. This person must act in good faith and must not engage in any activity that may create, or appear to create, a conflict of interest. As well, members of the University community involved in the procurement process must keep all purchasing information strictly confidential. They must maintain good relations with bidders and suppliers, and must respect and protect the University's reputation at all times, notably by refraining from engaging in any activity that contravenes established purchasing guidelines and policies.

4.1 Values

Each members of the University community will make decisions and will act based on the following values:

- a) honesty and integrity: maintain an irreproachable standard of integrity in all business relationships, both internally and outside the University;
- b) professionalism: foster the highest standards of professional competency among subordinates;

- c) responsible management: optimize the use of resources for which he is responsible in the best interest of the University;
- d) public interest: refrain from using his position's influence for personal benefit, and reject and denounce any irregular business practices;
- e) compliance with regards to municipal, provincial and national laws of the country in which he practices; statutes, policies, University regulations and guidelines, Canon Law and contractual obligations.

4.2 Standards

Every members of the University community must agree to:

- a) defend the interests of the University in all transactions, and do everything possible to support the University's mission;
- b) be receptive to the advice and needs expressed without compromising the responsibilities of his position;
- c) conduct all purchasing activities in a fair and impartial manner, and make every effort to obtain the best value for money;
- d) be honest in all transactions and denounce all forms of dishonest business practice;
- e) not use the University's resources and purchasing process for personal purposes.

4.3 Code of conduct

4.3.1 Conflict of interest

Each member of the University community must carry out and be seen to carry out his duties in an impartial, independent and objective manner, not only in reality but also in appearance.

Each member of the University community must avoid being in a position which could force him to choose between their personal interests, financial or otherwise, and the interests of the University.

For the purposes applying these rules of conduct:

- a) a member is considered in an actual conflict of interest situation when there is a personal interest, direct or indirect of which he is aware and that is sufficient to compromise his independence, impartiality and objectivity in performing his duties;
- b) a member is considered in an apparent conflict of interest when it seems to a well-informed person that the member, without being in a conflict of interest, could have a sufficient interest that could likely compromise his independence, impartiality and objectivity in performing his duties.

Without restricting the scope of a conflict of interest and for illustration purposes only, the following situations are considered conflicts of interest:

- c) the member has a direct or indirect interest, financial or otherwise, in an external company that deals or is likely to deal with the University;
- d) the member enters into a contract with an outside organization in which he has a direct or indirect interest, financial or otherwise;
- e) the member focuses his research activities at the University to meet the needs of an external business in which he holds financial or other interests, directly or indirectly;
- f) the member engages in teaching or research activities on behalf of an outside company without regard for the rights of the University;
- g) the member accepts a gift or a benefit beyond the normal standards of business courtesy, from an external company that deals with the University;
- h) the member uses confidential information obtained in the course of his duties at the University for personal benefit or for the benefit of a third party.

4.3.2 Disclosure

Any member of the University community who has a significant personal interest in a company that provides goods or services to the University must disclose the information in writing to Financial Services.

4.3.3 Confidentiality

Any information or price obtained by the University as part of the procurement process becomes the property of the University. This information must be kept in strict confidence by all representatives of both parties, and must not be disclosed to other providers before the bids are opened in an attempt to negotiate a better price.

4.3.4 Unauthorized purchases

The University does not transact or do business with members of the University community in matters of supply of goods and services. However, if the good or service required is of a specialized nature and cannot be obtained by other means and does not place the member in a conflict of interest situation, a request for exemption with justification may be submitted to the Administration Committee.

The University does not conduct transactions on behalf of individuals who intend to pay for purchases with personal funds or with funds belonging to associations not administered by the University.

- a) No personal purchase may be made in the name of the University.
- b) Purchases made by the University must be made in the name of the University and not in an employee's name.
- c) The University's address may not be used for personal purchases.

4.3.5 Competition

While it is understood that maintaining good relationships with suppliers is advantageous to the University, any arrangement that has the potential to restrict fair competition must be avoided.

4.3.6 Reciprocity

It is known that the University actively reaches out to the community, alumni and friends to solicit donations which support its strategic initiatives. However, the University does not practise reciprocity as a condition of purchase.

4.3.7 Business gifts and hospitality

To preserve the image and integrity of suppliers, business gifts must not be sought. Reasonable hospitality gestures or social invitations are, to some extent, a courtesy allowed in business relationships. The frequency and nature of gifts or hospitality accepted should not be construed that by accepting such gifts or hospitality, employees of the University might be influenced in making a decision as a consequence of accepting such gifts or hospitality.

4.3.8 Invitations from suppliers of goods and services

To preserve the image and integrity of suppliers, invitations to a specific activity from a supplier to a member of the University staff must be authorized by the immediate supervisor. Acceptance to an invitation must not place the employee in a conflict of interest situation as defined in Section 4.3.1 nor restrict fair competition as defined in Section 4.3.5.

5. Roles and responsibilities

5.1 Administration Committee

- a) Is responsible for approving additional or extraordinary expenditures not included in the budget, up to \$50 000. Approval by the Finance Committee is required for any expense in excess of this amount, up to a maximum of \$100 000.
- b) Is responsible for approving any aggregated legal settlement up to \$100,000. Approval by the Finance Committee is required for any aggregated settlement between \$100,001 and \$250,000. Approval by the Board of Governors is required for any aggregated settlement over \$250,000.

5.2 Rector / Vice-Rector / Secretary General / Dean / Director / Manager

- a) Are authorized to request the purchase of goods or services.
- b) Are responsible for approving supporting documents required in the purchasing process.
- c) Are responsible for managing a budget and approving expenditures. Must ensure there are sufficient funds to cover expenses in the fiscal year in which they are incurred. Must ensure that all purchases are made in compliance with the present policy.
- d) Are responsible for informing staff of the implementation of this policy.

5.3 Financial Services

Is responsible of ensuring that all approved purchases are authorized by the person who is responsible for the budget identified and that there are sufficient funds to cover expenses in the fiscal year in which they are incurred.

6. Procurement process

6.1 Introduction

To promote healthy competition and get the best possible deals or contracts, the tendering process and proposals in place must be observed. Unless defined as an exception in article 9 of the policy, any purchase of goods and services must first be budgeted to ensure that funds are available.

Financial Services has the sole authority to set up a credit account with a supplier . Credit applications must be completed in advance by the applicant.

6.2 Sources of funding

The University finances its activities through public funds, tuition fees, and grants from different sources (various levels of government, councils, associations, corporations, individuals, and the general public). The University must, therefore, effectively manage these funds and be prepared to undergo the required audits by these funding agencies. The procurement process protects the interests of the University and various funding sources.

The various sources of funding granted to researchers are institutional and not personal in nature and which must be managed in compliance with the policies of both the University and the funding agencies.

6.3 Process

Purchase Type	Untendered	Invitation to Quote	Call for Tender by Invitation	Public Call for Tender
Goods	Under \$10,000 (1)	\$10,000 to \$24,999	\$25,000 to \$99,999	\$100,000 and over
Professional services	Under \$10,000 \$ (2)	\$10 000 to \$24,999	\$25,000 to \$99,999	\$100,000 and over
Construction or renovation	Under \$10,000 (2)	\$10,000 to \$24 999	\$25,000 to \$99,999	\$100,000 and over
Deadline for receipt of tenders	N/A	5 days	30 days	45 days
RFQ's from competitors	No	Minimum 2 suppliers	Minimum 3 suppliers	Public
Additional action	None	Obtain approvals as per article 8.0		
Required Documentation	None	Written request	Written invitation to suppliers	Prepared quote
Payment method	(1) Petty cash, University credit card, invoiced to the University, Personal reimbursement (2) Invoiced to the University	Invoice in the University's name		

6.4 Correspondence with the supplier

All legal and administrative correspondence with the supplier is the responsibility of Financial Services. Therefore, if any such exchange occurs between an applicant and a supplier, the applicant must support Financial Services by sending them copies of any correspondence. This procedure ensures that the supplier file in Financial Services is complete. The only official record is that of the Financial Services.

All technical correspondence with suppliers is the responsibility of the requesting service. Therefore, if a service and a supplier exchange technical material, the service must ensure that such correspondence is retained for consultation, evaluation or verification by Financial Services, if necessary.

6.5 Contractual purchases

Only the Administration Committee has the authority to approve capital purchase contracts or rental of goods and services. The Committee is responsible for sending contracts extending beyond the current fiscal year to the individuals with signing authority, if the contract is the only document available for any payment.

6.6 Purchase of used products

Before purchasing used products, the requestor must compare the cost of the used product to the current cost of a new identical product, in order to determine which represents the best value for money.

6.7 Free loan of products or services

A supplier may supply a product at no charge to allow the requestor to try it, evaluate it or use it to help in deciding whether to purchase it or not. Accepting the free loan of a product or service does not guarantee that the requestor will subsequently purchase that product or service.

6.8 Donation of products or services

The University, through the Alumni and Development Office, may accept gifts as long as doing so is in no way a means to bypass the guidelines of the purchasing policy and does not create ties that would force the University in purchasing products or services in contravention of the policy. Acceptance of donated products or services must benefit the University.

For each donation, the Alumni and Development Office must provide Financial Services with a written declaration that includes the following information: name of donor, description of gift donated, estimated value, benefit to the University and an estimate of any direct or indirect costs that could be incurred by accepting the gift.

6.9 Business aspect

Financial Services has the sole responsibility of evaluating the business aspect of purchase requisitions, specifically, payment terms, delivery, transportation, etc., except for bids on construction or renovation projects, for which responsibility is shared with Facilities Services.

6.10 Reception of goods and quality control

- a) Orders will be shipped directly to the different requesting services.
- b) These services are responsible for receiving the products in good condition and confirming that they have been delivered or rendered satisfactorily.
- c) The requesting service is responsible for opening the delivered products without delay and ensuring that the merchandise is what was ordered. If the merchandise is damaged, the requesting service is responsible for taking appropriate steps to ensure replacement of the product.

6.11 Invoicing

- a) Any invoice received by the requestor as part of the procurement process must be forwarded to Financial Services for payment.
- b) The requestor is responsible for providing all supporting documents required to process payment.
- c) For credit card purchases, the requestor must provide original invoices and sales receipts. The requestor's service is responsible for reconciling monthly statements with expenditures, obtaining approval of the appropriate supervisor, and forwarding to Financial Services for payment.

6.12 Pre-payment of products or services

The University does not allow pre-payment to suppliers for a product or service.

6.13 Strategic procurement

For products and services purchased for the University community as a whole, based on the product, a service will be designated to issue the required calls for tender.

6.14 Ownership of products

Products purchased by the University, regardless of the source of funding, are and remain the property of the University unless otherwise specified in the regulations of the funding agency or in the research contract.

Each service is responsible for the use and care of the products it has acquired. Surplus products must be disposed of in accordance with the established procedure (see Regulation *ADM-119*).

7. **Public Call for Tender**

7.1 Preparation of call for tender

For purchases requiring a public call for tender (see Section 6.3), the following steps must be followed:

- a) define the specifications of the good or service required;
- b) include all pertinent conditions and requirements;
- c) prepare the call for tender and post it publicly:
 - on the University website,
 - on MERX or
 - in newspapers (English and French).

7.2 Reception of bids

Bids must remain locked away until tender opening. Opening of bids is the responsibility of the requestor and must be carried out by two people.

7.3 Opening of bids

Only bids received before the deadline will be considered. Bids are opened in public, at the location and on the date and time set forth in the tender document. The only information that can be released at the opening of bids are the names of the compliant bidders and their total bid price.

No contracts shall be awarded when opening the bids. The opening of bids and attendance proceedings must be documented.

7.4 Rejection of bids

A bid will be rejected if:

- a) it is received after the deadline in the tender document. Where faxed submissions are permitted, any bid that has not been completely transmitted by the deadline will be considered late and will be rejected;
- b) it is not signed;
- c) the bidder fails to provide a security deposit, certified cheque or bond which is a mandatory requirement of the tender;
- d) any other requirement as stipulated in the tender document (ex. addendum).

7.5 Bid analysis

When analyzing bids and for purposes of awarding the tender, the requesting service must ensure that all bids being considered meet the terms and conditions specified in the tender document and that all bidders are treated fairly. Tenders will be awarded based on the evaluation criteria set forth in the tender.

Generally, a contract is awarded to the lowest bidder or to the bid that scores highest on the tender criteria, in the case of requests for proposals. A compliant bid is a bid that meets all the mandatory terms and specifications in the call for tender.

The University reserves the right to negotiate the price or certain terms in the call for tender with the bidder having the lowest bid or chosen after analysis through the award method.

7.6 Preferences

The contract is awarded to the supplier who submitted the lowest bid, inasmuch as the products or services meet the quality requirements, have the technical characteristics, and meet the needs previously identified in the call for tender or proposal.

The University reserves the right not to award the tender to the lowest bidder nor award any of the bidders if it deems it is not in its best interest to proceed with the tender.

7.7 Disclosure of results of a call for tender

Upon request, the results of a call for tender (name of the successful bidder and total bid price) may be disclosed to other bidders participating in the call for tender.

8. Additional approvals required

Regardless of the cost of purchasing goods, services or construction, purchases of the following goods must be pre-approved before a purchase request is submitted to Financial Services.

- a) Electrical appliances or equipment: any purchase of electrical appliances or equipment requiring a connection to infrastructure (water, hydro or gas) must be pre-authorized by the Director of Facilities Services.
- b) Physical infrastructure (large-scale projects, furniture or heavy equipment): any purchase directly or indirectly affecting the University's physical infrastructure, large-scale projects, or furniture for major developments or heavy equipment must be pre-authorized by the Director of Facilities Services.
- c) IT equipment: any purchase involving information technology and communications equipment must be pre-authorized by the Director of Computer Services.
- d) Office supplies: all office supply purchases must be approved by Financial Services.
- e) Request process for obtaining pricing, bidding by invitation and public tenders: a report to Administration Committee must be submitted prior to any purchase. The report must include all required information and reason for choosing a supplier.

9. Exceptions to the competitive process

The following purchases are exempt from the established tendering process:

9.1 Emergency

An emergency is defined as a situation that:

- a) is life-threatening;
- b) is an interruption of an essential service; or
- c) requires that University property be protected against an imminent threat.

In an emergency, the established procurement process will be followed unless doing so causes a delay resulting in a loss. Failure to plan for a purchase is not considered an emergency.

The requestor must justify the emergency circumstances to the Vice-Rector, Administration. If in the Vice-Rector's opinion the situation is urgent as defined above, the requestor may make the purchase immediately, and follow up by submitting the usual documentation to Financial Services together with an explanation of the emergency circumstances.

9.2 Guarantee

A deviation from the public call for tender process is permitted if required to maintain the warranty issued by the original vendor.

9.3 Compatibility and exclusive rights

A deviation from the public call for tender is permitted if required to ensure compatibility with existing products, to acknowledge exclusive rights (e.g., licences, copyright or patent), or to maintain specialized patents that can only be maintained by their manufacturers or representatives.

9.4 Partnership agreement

A deviation from the public call for tender process is allowed if the purchase of goods or services is under a partnership agreement.

9.5 Sole Supplier

A deviation from the public tender process is permitted when the Administrative Committee deems, after a thorough and well-documented search, that there is only one eligible supplier meeting the required specifications or possessing the necessary qualifications for the execution of the contract.

10. **Infringements**

The Director of Financial Services reviews all transactions that are deemed to contravene the purchasing policy. He then informs the requestor and the person responsible for the budget and assists them in taking corrective measures.

Financial Services forwards all infringements to the Vice-Rector, Administration, for review and appropriate follow-up.

Failure to comply with established procurement guidelines and procedures will result in appropriate administrative action, including cancellation of the transaction.