

SUBJECT: PURCHASING**1. Purpose**

The purpose of this policy is to ensure that the University of Northern British Columbia's requirement for materials, goods, equipment and services are met at optimum value and with minimum impact on the environment. The policy is implemented through consultation with end users and advisory committees and in accordance with efficient procedures according to the Public Sector Purchasing Policy and the Law of Competitive Bidding.

2. Scope

This policy is applicable University-wide (includes all regional campuses), and no exception may be made without the written consent of the Vice-President (Administration & Finance).

3. Authority

The Director of Purchasing, Contract & Risk Management is directly responsible to the Vice-President (Administration & Finance) for the administration of this policy and its procedures.

4. Definitions**4.1 Minimum Impact of the Environment**

Describes activities that promote the reduction, re-use and recycling of material/equipment, reduce the use of materials toxic to the environment, standardize common supplies and equipment where possible.

4.2 Optimum Value

Means the delivery of the right goods and/or services to the right place, at the right time and at the right price with minimum impact on the environment.

4.3 Ethical Procedures

Refers to those conducted with the highest level of integrity in full compliance with the law, and in conformity with generally accepted public sector purchasing policies, as well as relevant policies of the University.

5. Policy

All purchases as well as financial commitments for materials, goods, equipment and services are to be made through a central purchasing authority, except for items governed by other policies, or approved separately by the Board of Governors. Some exclusions are:

- Insurance;
- Legal Services;

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- Acquisitions and Real Estate;
 - Benefits and Pension Consultants;
 - Orders for books and periodicals processed by the University Library;
 - Orders made on the University Procurement credit card (see Procurement Card policy); and
 - Purchases made for resale by the UNBC Bookstore.

6. Authority to Purchase

The Purchasing, Contract & Risk Management Department has been delegated authority by the Board of Governors to commit the University to binding agreements such as purchase orders, equipment leases, and contracts from all sources of University funds. The purchase of goods and services shall conform to the principle of competitive bidding wherever possible. No student or member of faculty or staff is authorized to commit the University for payment of goods or services and may not sign any rental (except car rentals) lease, license or agreement with any vendor, consultant or contractor except when approved to do so. Orders placed in the name of the University of Northern British Columbia without an authorized purchase order or contract or as outlined in this policy, will be the obligation of the person placing the order or signing the contract and not the obligation of the University.

7. Confidentiality

All terms and conditions of bids, contracts, and purchases relating to vendors and/or contractors are confidential and are not to be disclosed to any third party or competing vendor and/or contractors.

8. Awards of Purchase

All things being equal (that is, quality, price, delivery, suitability of product, service, environmental issues, and method of billing) the award of purchases or contracts will normally be made to the lowest qualified bidder, in consultation with the requisitioner. The Director of Purchasing, Contract & Risk Management or agent may select a supplier other than the lowest bidder if, value is evaluated as higher.

The Director of Purchasing, Contract & Risk Management is responsible for ensuring that the University lives up to its obligations, both in spirit and in law, to all vendors with whom it has contractual agreements. The Purchasing, Contract & Risk Management Department shall attempt to maintain a competitive atmosphere among vendors and ensure that each is treated fairly and without preference, while ensuring the highest ethical standards. The rules and ethics of the Buyer's Code of the Purchasing Management Association of Canada will be followed.

9. Conflict of Interest

University personnel will avoid situations in which conflict of interest may occur and will not accept offers of gifts and/or gratuities associated with the procurement of goods or services (see policy on Acceptance of Gifts under the Human Resources Section of the Policy Manual). Personnel must not have any financial or personal interest, direct or indirect, in any transaction made with any authorized vendor. Purchases will not be made directly or indirectly from employees of the University except as provided for in the Intellectual Property Policy. Purchases may be made from former employees providing they have left the University employ for greater than three (3) months.

All faculty and staff members who have decision making authority or who are in a position to influence a decision about a purchase or contract must disclose in writing any personal material interest in a prospective vendor to the Director of Purchasing, Contract & Risk Management or Bookstore Manager or University Librarian, and withdraw from the decision making process if that is deemed appropriate.

In order to obtain the best possible value for the University dollar, specifications should be constructed in as generic a way as possible. This will avoid the appearance of tailor-making a purchase request to favor a particular supplier.

However, it is entirely appropriate to specify considerations relevant to the purchase, such as quality or service expected, delivery time, method and timing of billing.

The Purchasing, Contract & Risk Management Department will not acquire goods or services for the personal use of faculty, staff or students.

10. Standardization

Wherever possible the Purchasing, Contract & Risk Management Department will pursue a program of standardization of materials, services, ergonomically correct furniture, fixtures and equipment used throughout the University.

11. Contract Administration

Regarding internal contracts the Purchasing, Contract & Risk Management Department will help develop specifications to comply with requisitioned needs, solicit proposals, bids, write, and award contracts. Normally the requisitioner or the designee will be the contract administrator. For external contracts the Purchasing, Contract & Risk Management Department will review and recommend the signing of all contracts coming into the University. The Purchasing, Contract & Risk Management Department will be notified if the contract terms are not followed, in which case the Purchasing, Contract & Risk Management Department will initiate corrective actions. Changes to contracts and purchase orders will be the responsibility of the Purchasing, Contract & Risk Management Department.

12. Approvals

Purchase requisitions whether on line or manual must be approved by the authorized budget holder prior to the issuance of a purchase order. The Purchasing, Contract & Risk Management Department is responsible for ensuring that the proper approval is obtained before issuing a purchase order.

The authority for the approval of purchase requisitions rests with the budget holder. The budget holder will complete the form, obtain the required signatures, set limits, and forward the document to the Purchasing, Contract & Risk Management Department. Departments and programs must notify the Purchasing, Contract & Risk Management Department of any "Acting" appointments with the name and dates specified.

A copy of the approved Signature Authorization form will be sent to Accounting, Bookstore and Central Stores. The original copy of the form will be filed in the Purchasing, Contract & Risk Management Department.

Requisitions not meeting the above requirements will be returned for correction.

13. Tender/RFP Dollar Limits

This section identifies the order placement procedures that must be followed by the Director of Purchasing, Contract & Risk Management and the Purchasing Agent:

- 13.1 Purchases of a value between \$1.00 and \$50 may be made through petty cash as permitted through the Petty Cash Policy.
- 13.2 For purchases of a value between \$51 and \$500 designated and approved individuals may place orders from approved budgets with their UNBC Procurement Card according to the policy. Purchases for these dollar values not being made on the UNBC Procurement Card must be made through the Purchasing, Contract & Risk Management Department.

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- 13.3 For purchases of a value between \$500 and up to \$2,000 and where timing is critical, purchase orders may be awarded at the Director of Purchasing, Contract & Risk Management's discretion. If timing is not critical, the procedure in 13.4 should be followed, and will be considered sufficient if faxed quotes are attached to the purchase order as supporting documentation.
- 13.4 For purchases of a value greater than \$2,000 but less than \$10,000 purchase orders may be awarded on the basis of three (3) written bids resulting from a RFQ being released. These may be faxed bids.
- 13.5 For purchases of a value of greater than \$10,000 but less than \$50,000 purchase orders may be awarded on the recommendation of the end user and Director of Purchasing, Contract & Risk Management or Agent. The Director of Purchasing, Contract & Risk Management or Agent will evaluate sealed written proposals or bids in response to a written request to tender or RFP.
- 13.6 For purchases of a value of greater than \$50,000 the Director of Purchasing, Contract & Risk Management or Agent shall where required recommend award to the Vice-President (Administration & Finance) or the Vice-President (Academic) & Provost, or the President on the basis of sealed written tenders or proposals submitted at a specified time and date. Tenders shall be solicited from approved vendors who are known to have desired goods or services, and have an acceptable performance record and must also be advertised on the UNBC Purchasing website section of the Internet as well as on the website of BC Bid. A minimum of three (3) responses are required, with evidence of agreement for the recommendation from the requesting end user or committee and Director of Purchasing, Contract & Risk Management or Agent.

If the minimum number of responses have not been received, the Director of Purchasing, Contract & Risk Management or Agent will determine if re-tendering is warranted and make a recommendation to the Vice-President (Administration & Finance).

14. Exceptions to Tender/RFP Process

14.1 Sole Source Justification

A sole source is an item where the specifications of that item limits its purchase to only one known source of supply. A brief statement on a sole source form stating the reason(s) for the specifications and why alternatives are not acceptable is required. The sole source form must be signed by the budget holder requesting the goods before being forwarded to Purchasing, Contract & Risk Management Department.

End users should be aware that although the item may not be tendered to a number of vendors, the Purchasing, Contract & Risk Management Department may still issue a RFP to the vendor to establish specific contractual requirements that would benefit both the end user and the University.

14.2 Emergency Purchases

In an emergency a Dean or Director (or designate) may authorize the immediate purchase of any item or service without recourse to the provision of the policy, these situations will include but are not limited to:

- where staff, students or public safety is in question;
- prevention of damage to University facilities;
- restore essential pieces of equipment to service; or
- restore essential physical plan services.

The Dean or Director will notify the Director of Purchasing, Contract & Risk Management as soon as possible after the purchase has been made.