

Policy 36 – Procurement

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Procurement Services
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1. Purpose

- 1.1 This Policy governs all University Procurement and defines the roles and responsibilities, means of Procurement, and approval thresholds applicable in the purchase of goods or services.
- 1.2 This Policy complies with the University's obligations with Procurement laws and trade agreements such as the Ontario Broader Public Sector (BPS), the Accessibility for Ontarians with Disability Act (AODA), the Canadian Free Trade Agreement (CFTA), the Comprehensive Economic Trade Agreement (CETA) and with its obligations with granting agencies and research sponsors. It also complies with the Board By-law No. 3 on Delegation of Approval and Signing Authority.

2. Definitions and interpretation

- **Approval Authority Schedule.** Matrix located in section 8.b) of this Policy showing the positions authorized to approve purchases and sign Contracts on behalf of the University.
- **Approver.** Business Approver or Procurement approver listed under the Approval Authority Schedule listed in 8.1.b
- **Business Approver.** Individual accountable for spending decisions in their area. This includes, but is not limited to:
 - **Head of Unit.** This means any dean, vice-provost, deputy provost, chief executive, university librarian, associate vice-president, registrar, executive director or similar position (supporting the VPs). They are the Employee with the highest level of managerial decision-making authority in their respective faculty/service and are accountable for the Procurement activity therein.
 - **Budget Manager.** This means CAOs, service directors or similar position (individual identified by a Head of Unit to manage a budget).
 - **Administrative Support.** Individual supporting a Budget Manager.
 - **Research Delegate.** Individual supporting a Principal Investigator.
- **Contract.** Written agreement, letter of intent, memorandum of understanding, or other document that sets legally binding provisions between the University of Ottawa and a Vendor and requires signatures from both parties.
- **Derogation.** Request to purchase without competition or to deviate from this Policy or related procedures prior to a Procurement
- **Employee.** Administrative staff, academic staff or any person directly or indirectly receiving wages from the University of Ottawa.
- **PCard.** Credit card assigned to certain Employees (PCard cardholders) to facilitate small purchases for University purposes.
- **Purchase Order (PO).** Official document sent by the University to a Vendor to capture the purchase of goods or services, the price and terms, and to commit the University's funds.
- **Principal Investigator.** The person who has ultimate responsibility for a research project. In the case of a project funded by an external or internal grant or Contract, the Principal Investigator is the holder of the grant or Contract.
- **Procurement.** Acquisition by any means, including purchase, rental, lease or conditional sale of goods and services (including consulting, information technology and construction).

- **Procurement Approver.** Different positions (central and local) with Procurement Authority.
- **Procurement Services.** Different positions (central and local) that manage the Procurement processes.
- **Quote.** Estimated price (or proposal) issued by a Vendor for a future purchase. For purchases under \$100k, a benchmark with a recent purchase may be considered the equivalent to a quote at the discretion of Procurement Services.
- **Reimbursement.** Repayment to Employee who paid from their own personal funds for eligible University business or research related expenses (that did not involve commodities under catalogs or [restricted commodities.](#))
- **SDI.** Strategic Development Initiatives office within the Office of the VP, Research and Innovation.
- **Supplier or Vendor.** Used interchangeably throughout this Policy to mean the individual or organization that provides, or may provide, goods or services to the University.
- **Transgression.** Purchase made contrary to University policies or related procedures without an approved derogation.
- **User.** Employee who requests a good or service for use by the University of Ottawa.

2.1 All figures included in this Policy are in CAD\$ and before any applicable taxes.

3. Application

3.1 This Policy applies to all Employees and current or prospective Vendors of the University.

4. General principles

4.1 The University is committed to conducting its Procurement with high ethical standards and through a process that is standard, open, fair, responsible, and transparent and that is managed in a way that brings the best value for money.

4.2 The University is also committed to:

- ensuring an ethical, professional, and accountable supply chain,
- being accountable for the results of its Procurement decisions and the appropriateness of its Procurement processes,
- respecting public Procurement directives and trade agreements,
- promoting, where feasible, the integration of bilingualism, sustainable development, social responsibility, equity, diversity and inclusion into its Procurement processes,
- including accessibility criteria, accessible design and features in its Procurement processes where possible.

4.3 A competitive Procurement process is the rule, and a non-competitive Procurement can only be conducted, where Procurement laws permit and in accordance with this Policy and its related procedures.

4.4 The University formally adopts the Ontario Broader Public Sector Supply Chain Code of Ethics, which defines required behaviors from anyone involved in Procurement activities.

4.5 Employees responsible for procuring, involved in a Procurement process, or interacting with prospective or current Vendors must act, and be seen to act, with professionalism and in accordance with the following standards:

- **Fairness:** Treat current and potential Vendors in a fair and equitable manner.
- **Impartiality:** Encourage competition and demonstrate independence in our interactions with Vendors.
- **Integrity:** Avoid any actual or apparent conflict of interest.
- **Compliance:** Act in accordance with applicable laws, regulations and University policies and procedures.
- **Confidentiality:** Protect internal and Vendor information.
- **Honesty:** Conduct business in good faith and expect the same from potential and current Vendors.
- **Social responsibility:** Consider sustainable and accessible criteria in the tendering processes.
- **Accountability and transparency:** Ensure that the University's resources are used in a responsible, efficient, and effective manner.

5. Conflict of interest

- 5.1 Conflict of interest arises when an Employee favors his/her own interest or those of a close third party (for example, a friend, business partner or family member) to the detriment of the University.
- 5.2 To preserve our integrity, Employees must avoid conflict of interest (perceived or actual), which includes, but is not limited to:
- a. Using the University's Contracts or "buying power" to acquire goods or services for personal use or the use of a close third party (including own businesses)
 - b. Influencing University decisions to advance personal interests or those of a close third party
 - c. Evaluating or entering a Contract with a Vendor with which you or a close third party have ownership or investment interest
 - d. Having access to confidential information that may affect or be perceived as affecting your objectivity in carrying out your duties
 - e. Requesting or accepting gifts or entertainment from Vendors, such as:
 - Free or discounted tickets (concerts, sporting events, galas, etc.)
 - Cash, gift cards, gratuities or other cash-equivalents
 - Travel, hospitality or use of facilities
 - Alcohol, cigarettes or cannabis or items prohibited by law
- 5.3 An Employee can only accept a low dollar-value corporate promotional item (for example a mug, pen or notepad) given by a Vendor infrequently. That said, Procurement Services staff or any other Employee associated with a Procurement cannot accept gifts, meals, or entertainment of any value at any time.
- 5.4 An Employee should pay for their own meal and beverages if invited by a Vendor to a restaurant.
- 5.5 Despite 5.3 and 5.4, accepting gifts, donations (for example, cash, assets, securities, or in-kind goods or services) or sponsorships (for example, Vendor funding for an event) of any kind or having meals with Vendors is strictly forbidden **during a Procurement process** (starting when the Procurement need is being established until when the Contract is finally awarded and signed).
- 5.6 If a Vendor offers gifts, donations or sponsorships, these must be declared to Procurement Services and Procurement Services will assess and advise on whether there are any competitive Procurements that may result in a perceived, potential or actual conflict of interest.

- 5.7 If an Employee is in a perceived or actual conflict of interest, they must disclose it to their manager or their relevant Head of Unit. Procurement Services must be informed and will assess the situation and implement or advise the Head of Unit on the appropriate measures to either manage or resolve the situation.
- 5.8 Procurement Services may perform checks to ensure Employees are not involved in any conflict of interest.

6. Supplier integrity

- 6.1 To ensure the proper use and expenditure of public funds, existing and potential Vendors of the University must negotiate and conduct business ethically and with integrity. Vendors shall not attempt to influence any purchasing decisions by offering meals, entertainment, gifts, or other unethical means to any Employee.
- 6.2 Vendors and/their subcontractors must comply with provincial and international laws (where applicable) and respect employment standards that include, but are not limited to, fair recruitment and compensation of its staff.
- 6.3 Suppliers shall maintain good standing with their business terms and must inform the University of any changes that conflict with public Procurement directives, affect Procurement decisions or impact on-going Contracts.
- 6.4 Suppliers must comply with the University's integrity and ethical business practices.

7. Roles and responsibilities

- 7.1 Procurement Services' role is to assist Employees on all Procurement-related matters. Whether it is securing a Contract, supporting Vendor performance, or assisting with Purchase Orders and purchasing cards, Procurement Services' goal is to guide and support internal clients, so they spend less time on administrative tasks and more time on their area of specialty.
- 7.2 Procurement Services is comprised of a central Procurement office, which is the main Procurement authority on campus, and of local purchasing units (in faculties and services), which are the first point of contact for Employees seeking to buy goods or services.
- 7.3 Although Procurement Services involves multiple stakeholders under different reporting structures, together, it guides internal clients in the engagement of Vendors, ensures the adherence to this Policy, and fosters effective working relationships with internal and external parties.

7.4 The table below outlines the main roles that support the Procurement process.

Role	Definition	Responsibility
Requisitioner	An Employee that creates a request to purchase a good/ service.	<ul style="list-style-type: none"> • Create purchasing requisitions
Purchasing Specialist	An Employee in a Purchasing position and with Procurement qualifications appointed by their Head of Unit or Central Procurement.	<ul style="list-style-type: none"> • Support purchasing requests in their sector and collaborate with central Procurement Services • Guide users on the best means of Procurement • Approve requisitions (and create them in the absence of a requisitioner), Contracts, Derogations and Transgressions up to \$100k • Manage system requisitions for its sector • Obtain Central Procurement's support, as needed, on Procurement questions • Complete and submit Derogations over \$100k • Contact the University's brokerage specialists on all customs needs • Support internal distribution of goods • Support Contract and Vendor management • Promote right Procurement practices with stakeholders
Central Procurement	Dedicated Procurement professionals at central office	<ul style="list-style-type: none"> • Establish Procurement policies and procedures • Manage central Procurement systems • Advise Purchasing Specialists as needed • Conduct public tenders over \$100k • Establish Procurement strategies • Establish institutional Contracts • Manage the approval of Contracts, Derogations and Transgressions above \$100k • Support Vendor and Contract performance • Monitor compliance • Offer trainings on best Procurement practices • Drive Procurement standardization
Procurement Executives	Director of Procurement, AVP Finance and VP Finance and Administration	<ul style="list-style-type: none"> • Oversee Procurement at the University • Establish Procurement standards at the University • Maintain Procurement Policy • Serve as an escalation point • Approve large transactions and exceptions • Drive cross-sector improvement initiatives

8. Authority to approve/sign

8.1 This section lists the positions with authority to approve purchases on behalf of the University and to sign Vendor Contracts (as applicable). It applies to all purchases within the scope of this Policy.

a) General principles

1. Purchases must have an available budget before a Procurement process begins.
2. Purchases must be properly documented in paper or digital format.
3. Two different individuals must always approve a purchase: the Business Approver (the party responsible for the budget) and the Procurement Approver.

4. Contracts must have two signatures: by the Business Approver and by the Procurement Approver.
5. A purchase's total value must include phases and extensions. This total determines the Procurement process (or "means of Procurement") and the approval thresholds that apply and cannot be divided into multiple Procurements to circumvent Procurement thresholds.
6. Units should include financial contingencies in their initial approval requests. This will allow approvers to pre-approve future changes not known at the time of the initial Procurement.
7. The number of requested Quotes represents the minimum. Additional Quotes may be obtained if desired.
8. Derogations must be approved by the Business and Procurement Approver before the vendor starts the related work. The Sr. Director of Procurement reports Derogation and Transgression activity periodically to the AVP Finance, VP Finance and Administration, the President, the Audit Committee and the Government.
9. At least three individuals must be involved in a procure-to-pay workflow (requisition, budget approval, Procurement approval, reception, and payment).
10. An Approver who will be absent may temporarily delegate their authority to another Approver that they directly report to, or who has the same level of authority as they do or who directly reports to them. Delegations must be done in writing or, if applicable, in the system, and must be communicated with stakeholders. Note that long-term delegation is not permitted.
11. The University will reimburse purchases (excluding professional services) up to \$1k where the use of a University-issued purchase card is not practical or possible and the Procurement did not involve [restricted commodities](#) or commodities under Contract.
12. The University will not pay Vendor invoices not associated with a Purchase Order (except as permitted by Procurement Services).
13. Procurement related to Research must be conducted in accordance with the granting agencies' stipulations and with the University's policies and procedures (as the University is the administering institution).
14. Procurement and Legal must be consulted when establishing a limited partnership, corporation, trust, or any other entity owned or controlled in its majority by the University. The goal will be to determine if public procurement directives will apply to that entity and align on the future treatment of the entity's procurement transactions.
15. **A Vendor of Record (VOR) arrangement** authorizes one or more qualified vendors to provide products or services to the University for a defined period and under certain terms and conditions. The arrangement itself does not constitute an actual purchase and, as such, it does not follow the Approval Authority Schedule. Instead, a:
 - VOR arrangement up to 1M\$: is approved by the Director of Procurement and the Head of Unit.
 - VOR arrangement over \$1M: is approved by the AVP Finance (procurement) and the VP unit (business).
16. When the University issues a Procurement (after a VOR's 1st phase) such Procurement is approved according to the Approval Authority Schedule. However, the terms of the VOR will establish the number of quotes to obtain (rather than the "Means of Procurement" column in the Approval Authority Schedule).
17. Procurement that is self-financed, or that generates revenue to the University, must still comply with this policy.

b) Approval Authority Schedule

Total value (CAD\$)	Means of Procurement	BUSINESS APPROVER – CFI purchases (research)	BUSINESS APPROVER – Non-CFI purchases (research)	BUSINESS APPROVER – Facilities	BUSINESS APPROVER – Faculties/services	PROCUREMENT APPROVER – All purchases
<=1k	Reimbursement, PCard or PO	SDI Project manager	Principal investigator or Research Delegate	Administrative Support	Budget Manager or Admin. Support	Purchasing Specialist
1k-<=5k	Request for payment, PCard or PO	SDI Project manager	Principal investigator or Research Delegate	Administrative Support	Budget Manager or Admin. Support	Purchasing Specialist
5k-<=10k	PO- 1 quote*	SDI Project manager	Principal investigator or Research Delegate	Administrative Support	Budget Manager or Admin. Support	Purchasing Specialist
10k-<=50k	PO- 2 quotes	SDI Project manager	Principal investigator	Budget Manager	Budget Manager	Purchasing Specialist
50k-<=100k	PO- 3 quotes	SDI Project manager	Principal investigator	Budget Manager	Budget Manager	Purchasing Specialist
100k-<=300k	Public tender	SDI Associate director	Principal investigator <u>and</u> Vice-Dean Research	Assist. Director, Director	Head of Unit	Central Procurement Officer
300k-<=500k	Public tender	SDI Associate director	Principal investigator <u>and</u> Vice-Dean Research	Director	Head of Unit	Procurement Manager
500k-<=1M	Public tender	SDI Associate director	Principal investigator <u>and</u> Vice-Dean Research	AVP Facilities	VP	Director of Procurement (sr. or assoc.)
1M- <=5M	Public tender	SDI Director	Principal investigator <u>and</u> Vice-Dean Research	AVP Facilities	VP	AVP Finance
5M-<=10M	Public tender	AVP Research	VP Research	President	President	VP Finance and Admin
10M and +	Public tender	VP Research	VP Research	Executive Committee or Board and signed by one of: President or Secretary-General	Executive Committee or Board and signed by one of: President or Secretary-General	VP Finance and Admin

*2 quotes if you engage a consultant

c) Change Orders and Options.

1. To increase the value of a Purchase Order or Contract, a change order must be requested and approved based on the PO or Contract's new **cumulative value** (original value + additional cost or in-kind contribution) according to the Approval Authority Schedule set out in this Policy.
2. Changes under 5% (and up to \$1,000) do not require new approvals unless the change caused the **total value** to go above the original approver's authority, in which case, it must be approved according to the new threshold.
3. Options approved during an initial procurement (for example, contract extensions, contingencies, and extras) do not require new approvals. However, any contract amendments that apply must be signed according to the Approval Authority Schedule.
4. Any change or option (monetary or not) made to Contracts over \$100k require the involvement of Central Procurement.

9. Non-compliance

9.1 Employees must comply with this Policy when engaging Vendors, or when involved in any phase of a Procurement process. Failure to do so may result in disciplinary action.

9.2 Sample non-compliance includes, but is not limited to:

- Making financial commitments with Suppliers without the involvement of Procurement Services
- Falsely reducing the value of a Procurement or splitting a Procurement into multiple parts
- Modifying or terminating Contracts without the involvement of Procurement Services
- Approving a PO or signing a Contract without having the authority to do so
- Asking a Vendor to deliver a service or product without an executed PO or Contract
- Failing to disclose any actual or potential conflict of interest
- Offering or accepting gifts or hospitality contrary to this policy

10. Review and implementation

10.1 The Director of Procurement is responsible for the periodic review of this Policy and for its implementation.

10.2 The Vice-President, Finance and Administration is responsible for approving the establishment, modification or repeal of procedures in relation to the implementation of this Policy.

11. Amendments

11.1 The Board of Governors or the Executive Committee of the Board of Governors must approve amendments to the Approval Authority Schedule. The Administration Committee may approve any other amendments to this Policy as recommend to it by the Vice-President, Finance and Administration.

11.2 Notwithstanding Section 11.1, the Secretary-General may amend this Policy without the need to submit such amendment to the Administration Committee or to the Board or Executive Committee of the Board for approval if such amendment is required to:

- a) update or correct the name or title of a position, unit, law, regulation, policy, authority; or

- b) correct punctuation, grammar, typographical errors, revisions to format and other technical revisions, where appropriate, if the correction does not change the meaning of a provision or make such other correction if it is patent both that an error has been made and what the correction should be; or
- c) correct the form of expression of a provision in French or in English to be more compatible with its form of expression in the other language; or
- d) make consequential amendments to conform with or arising from another University by-law, resolution, policy or to conform with the advice, recommendations and instructions related to applicable law.