

SUBJECT	PURCHASING PROCEDURE - GENERAL
<p>BACKGROUND</p> <p>As a publicly funded educational institution, Northern College is committed to a consistent, equitable and transparent procurement approach. It is essential that the College's business dealings be beyond reproach to audit and public scrutiny. A comprehensive range of purchasing policies and procedures has been developed to ensure appropriate use of College resources through competitive purchasing, maintenance of honesty, integrity and fairness, and protection of the College and employees from implied liability or questions of legal or ethical practice.</p> <p>Purpose: To identify operating practices associated with competitive quotations, proposals, tendering or purchase by negotiation.</p> <p>Scope: These procedures apply to all procurement initiatives at the College of significant scope and cost to warrant the initiation by the College of competitive bidding processes.</p> <p>PROCEDURE</p> <p>1. <u>PROCEDURE STATEMENT</u></p> <p>The purpose of this procedure is to establish the principles associated with the purchase of goods and/or services to:</p> <ul style="list-style-type: none"> • promote Northern College accountability in its use of public funds for the acquisition of goods and/or services; • establish guidelines to which all Northern College employees must adhere to in acquiring goods and/or services; • outline the role and responsibility of the Purchasing Officer in assisting departments to acquire value-added, appropriate, quality goods and/or services that meet Northern College's immediate and long term needs at the best overall cost; • define the responsibility of all Northern College employees involved in the purchasing process; • ensure that Northern College functions according to the general accepted business practices of the Broader Public Sector Procurement Directives (BPSPD); • endorse sustainable and environmentally responsible procurement practices, wherever possible. <p>This procedure includes, but is not limited to: office supplies, consumables, information and communication technology, teaching and research equipment, facility management, and construction. This procedure excludes:</p>	

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<ul style="list-style-type: none"> • utilities (gas, water, electrical, etc.); • insurance, legal and audit services; • investment services; • personnel services (benefits, wage and salary administration); • others, as approved by the President or Vice President, Corporate Services. <p>2. <u>CODE OF CONDUCT</u></p> <p>The College recognizes that many employees act under codes of conduct or standards of practice. The College accepts that these professional standards support Northern College's Code of Conduct policy. This policy applies to all employees and contracted employees of Northern College.</p> <p>I. Personal Integrity and Professionalism Individuals involved with supply chain activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between Northern College, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts, donations or favours, providing preferential treatment, or publicly endorsing suppliers or products.</p> <p>II. Accountability and Transparency Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for the College. All participants must ensure that Northern College resources are used in a responsible, efficient and effective manner.</p> <p>III. Compliance Individuals involved with purchasing or other supply chain activities must comply with this Code of Conduct and the laws of Canada and Ontario.</p> <p>3. <u>RULES OF CONDUCT</u></p> <p>Northern College shall not acquire goods and/or services from a business or other entity owned by an employee, or Board member of the College or from anyone who is not at arm's length from any employee or Board member, including any corporation or other business entity in which an employee or Board member or someone with whom he/she has a non-arm's length relationship and holds a controlling financial interest (either directly or indirectly).</p>	

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<p>No Northern College employee shall take any steps to influence the acquisition of goods and/or services from any corporation or other business entity in which the employee or those with whom he/she has a non-arm's length relationship and hold a controlling financial interest (either directly or indirectly).</p> <p>Notwithstanding the foregoing, in rare circumstances, if and when appropriate and in the best interests of the College, upon full disclosure of a conflict or perception of a conflict pursuant to any procedures set out therefore, the Vice President, Corporate Services may consider whether any such conflict exists and, if so, whether it may be waived or otherwise resolved, and may thereafter and on such terms as are deemed appropriate, approve a proposed purchase of goods and/or services from a College employee or Board member, or from a corporation or other business entity in which an employee or Board member is an employee, a partner or has a controlling financial interest.</p> <p>4. <u>BUSINESS GIFTS AND DONATIONS</u></p> <p>The College and its employees or agents shall not accept or give gifts, benefits, donations or favours from/to individuals, firms or corporations with which the College does or may do business. In the event such gifts, benefits, donations, or other favors are received, contact the College's Development Officer for guidance.</p> <p>5. <u>GENERAL PROVISION</u></p> <p>General provisions as they relate to the procurement function at Northern College include:</p> <ul style="list-style-type: none"> • no purchase of goods and/or services shall be authorized unless it is in accordance with the procurement procedures authorized by Northern College. • requisitions or purchase orders shall not be structured to alter the method of purchase or the approval authority. • it is the responsibility of the requisitioner to ensure that the process for procurement of goods and/or services is in accordance with these purchasing procedures, as well as departmental and legal restrictions. The Purchasing Officer will, to the best of his/her ability, provide any information or assistance in meeting these requirements. • a purchase order/contract for service is a legal contract and is generated for every properly approved purchase of goods and/or services. A purchase order/contract for service can only be issued or cancelled by the College Purchasing Officer or designate. <p>6. <u>SEGREGATION OF DUTIES</u></p> <p>Northern College will segregate at least three (3) of the five (5) functional purchasing roles. Responsibilities for these functions lie with different departments or at a minimum, with different individuals.</p>	

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Role	Explanation	Responsibility	
Requisition	Authorize the supply chain department to place an order	End user requesting the product or service	
Budget	Authorize that funding is available to cover the cost of the order	Department budget holder	
Commitment	Authorize release of the order to the supplier under agreed-upon contract terms	Purchasing Officer	
Receipt	Authorize that the order was physically received, correct and completed	Individual receiving the goods	
Payment	Authorize release of payment to the supplier	Accounts Payable Clerk	

7. APPROVAL AUTHORITY

- No purchase will be processed unless the Manager responsible for the cost center has approved it.
- It is the responsibility of all Northern College managers to ensure that adequate funds are available in their department budget prior to approving of any purchase.
- No employee can authorize a payment to him/herself, even if signing authority exists on the account being charged. All such payments must be signed by the employee's Supervisor.
- The Purchasing Officer must approve all exemption based (single sourced) requests over \$3,000, and \$10,000 for I.T Software and Plant & Property Construction/renovations
- For all multiple year agreements, regardless of purchase value, the Vice President of Corporate Services, or higher must approve.

The following table outlines the spending approval limits for procurement of **NON-CONSULTING** goods and/or services for all departments within the College. A non-consulting service provider (NCSP) is an individual/company who contracts to provide services, other than consulting services, to another individual or business. Examples may include "consultants" such as property brokers, head hunters or trainers.

Value of Purchase	Approval Authorities
Up to \$4,999.99	Cost Center Manager
Up to \$9,999.99	Academic Deans, Director of I.T, Director of Marketing & Manager of Plant & Property
Up to \$14,999.99	Executive Director
Up to \$49,999.99	VP, Corporate Services & VP, Academic and Student Success

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Up to \$99,999.99	President & CEO
\$100,000 and over	Board of Governors

All single source purchases over \$25,000 will require one (1) additional level of approval authority on the requisition.

The following table outlines the spending approval limits for procurement of **CONSULTING SERVICES** for all departments within the College. Consulting Service Provider (CSP) means the provision of expertise or strategic advice that is presented for consideration and decision-making.

Value of Service	Approval Authority
\$0 - \$49,999	VP, Corporate Services & VP, Academic and Student Success
\$49,999 - \$99,999	President & CEO
\$100,000 or more	Board of Governors

8. PROCUREMENT METHODS AND QUOTATION GUIDELINES

The following table outlines the methods of procuring goods and/or services and the quotations required at various procurement levels. Additional information regarding methods of procuring can be found in Section 10.

Non-Consulting Goods and Services

Value of Purchase	Procurement Method	Quotation Requirements
Up to \$25	Petty Cash, Credit Card, Purchase Order	No Quotation
Up to \$2,999	Credit Card, Purchase Order, Blanket Order	No Quotation
Up to \$9,999*	Purchase Order, Blanket Order	1 Written Quote
\$3,000 to \$24,999	Purchase Order, Blanket Order through Informal Quotation	3 Written Quotes
\$25,000 to \$99,999	Invitational	3 Written Quotes RFQ, RFT, RFP
Over \$100,000	Public Open Competitive	Minimum of 3 written Quotes RFQ, RFT, RFP

Note * Up to \$9,999 only applicable to I.T Software & Plant & Property Construction or Repairs, all other goods & services fall under \$0-\$2,999.

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Consulting Services (provision of expertise or strategic advice that is presented for consideration and decision-making)

Procurement Method	Value of Service	Approval Authority
Invitational	\$0 - \$49,999	VP, Corporate Services & VP, Academic and Student Success
	\$49,999 - \$99,999	College President
Public Open Competitive	\$0 - \$49,999	VP, Corporate Services & VP, Academic and Student Success
	\$49,999 - \$99,999	College President
	\$100,000 or more	Board of Governors
Non-competitive Single/Sole source	\$0 - \$99,999	College President
	\$100,000 or more	Board of Governors

Exceptions from the Procurement Process

Any request to purchase goods and/or services outside of the guidelines listed in the above tables must be accompanied by an Exception Certificate, to support and justify the decision. See Procedure A4 – Exception Procedure

9. PURCHASING STANDARDS

To achieve a college standard of quality and compatibility, the following categories of requisitions shall be routed through the appropriate individual/departments prior to any purchase commitment.

Item	Required Individual/Department
Advertising	Marketing
Architectural, Engineering or other Design Consultants	Plant & Property
Audio – Visual	Information Technology
Buildings, Land or Property Leases	Plant & Property
Chemicals	Health and Safety Coordinator
Computer Hardware and Software	Information Technology
Furniture & Fixtures	Purchasing & Plant & Property
Logo	Marketing
Telecommunications	Information Technology
Signage	Plant & Property
Utilities	Plant & Property

*Advertising/Marketing exception to the rule applies if there is a written agreement between departments.

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10. METHODS OF PROCUREMENT

The following six (6) methods may be used to purchase goods, and/or services at Northern College:

I. Petty Cash

Designated to provide ready cash for the payment of various small expenditures, not to exceed \$25.00. For further information about Petty Cash see Petty Cash Procedure.

II. Purchase Order

Purchase orders are to be issued by the Purchasing Officer to acquire all goods and/or services at Northern College not covered by other methods. Purchase order(s) will not be released if available funds and correct approval signatures are not present.

III. Blanket Order

Blanket orders shall be issued for any purchase of goods or services under the following circumstances:

- (a) to establish an account with a vendor to obtain miscellaneous supplies, lease agreements or services during a specified period of time;
- (b) to obtain defined items that contain multiple delivery dates scheduled over a period of time.

IV. Credit Card

Credit card(s) may be issued for the purchase of goods and/or services that cannot be completed through normal purchase orders. For further information on the use of credit cards see the Credit Card Procedure.

V. Purchase by Negotiation

The Purchasing Officer may conduct negotiations with one or more supplier in the interest of Northern College when any of the following conditions apply:

- (a) when, due to market conditions and in the judgment of the Purchasing Officer, and in consultation with the user department, it is determined that goods and/or services are in short supply.
- (b) where there is only one source of supply for the goods and/or services;
- (c) when a time sensitive or emergency situation occurs, or the extension of an existing contract to the allowable time period (normally 5 years) is more cost effective and beneficial to the College.

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	<p>VI. Competitive Procurement Competitive Procurement is a process for developing a procurement contract through a proposal or bidding process, the objective being to obtain fair, impartial, competitive bids. This can be completed by issuing a Request for Quote (RFQ), Request for Tender (RFT), and Request for Proposal (RFP). There are two types of Competitive Procurement, an invitational competitive procurement and an open competitive procurement. An invitational procurement is conducted by inviting three (3) or more qualified suppliers to submit written proposals to supply goods and/or service. This normally occurs when the value exceeds \$25,000. Open procurement, which is conducted by electronically posting the RFP, ensures that the highest level of fairness, impartiality, and transparency occurs. This process is mandatory for all procurement over \$100,000. The Purchasing Officer must be the lead in all competitive procurement functions unless otherwise authorized. Depending on the complexity of the request, this process can take from one (1) to one-and-half (1-1/2) months to complete. For more information, see Competitive Procurement Procedure</p> <p>11. <u>NON-COMPLIANCE</u> Any deviation specified in this procedure during the procurement process may result in the following:</p> <ul style="list-style-type: none"> I. Purchasing shall advise the Manager of the user department of any purchase(s) that are deemed as non-compliant; II. Purchasing will compile a list of all orders (issued by PO or coding of receipt) for goods and/or service that have been issued after the date of receipt of the order. This list will be issued on a monthly basis to the Controller & Vice President of Corporate Services. III. Purchasing shall advise those vendors who have on multiple occasions provided goods and/or service without a PO, that services are not to be provided unless a PO is issued.

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