

**Policy No. & Title: C106: PURCHASING***Effective:* 2015-05-27*Next Review:* 2020-05-27*Policy Sponsor:* Vice-President, Finance and Administration*Approvals:* 1989-02-03/SA-88-08; 1996-12-04/SA-96-03; 2008-02-06/AC-07-05;  
2011-03-23/SLC-10-16

---

**1. PURPOSE**

The purpose of this policy is to establish the principles, standards, responsibilities and procedures associated with the College purchase of goods and services.

**2. POLICY**

The Policy Sponsor develops, maintains and implements standards and procedures that result in effective and efficient methods for the procurement of goods and services. Such standards and procedures align with the College mission, vision and strategic goals and reflect College values. They are informed by current best practices in similar organizations in Ontario. They comply with the Broader Public Sector Procurement Directive(s) issued by the Management Board of Cabinet.

**3. REFERENCES**

Broader Public Sector Accountability Act, 2010

MAESD (Ministry of Advanced Education and Skills Development) Binding Policy Directive – Governance and Accountability Framework

Broader Public Sector Procurement Directive

Fanshawe College Key Decision Matrix

Board PolicyD-01: [General Executive Constraint](#)D-10: [Financial Condition](#)D-12: [Capital Planning](#)D-15: [Asset Policy](#)College Policy[C107: Purchasing Cards](#)[P207: Employee Code of Conduct](#)[P213: Working Relationships](#)**4. ADDENDA**

Standard 1: PURCHASING PRINCIPLES, ROLES AND RESPONSIBILITIES

Standard 2: PURCHASING MATRIX – GOODS AND NON-CONSULTING SERVICES

Standard 3: PURCHASING MATRIX – CONSULTING SERVICES

Standard 4: PURCHASING STANDARDS

Standard 5: SUPPLY CHAIN CODE OF ETHICS

-0-0-0-

*Policy No. & Title:* C106: PURCHASING

*Addendum:* **Standard 1: PURCHASING PRINCIPLES, ROLES AND RESPONSIBILITIES**

*Issued by:* Vice-President, Finance and Administration

*Effective:* 2015-05-27

---

## 1. PURPOSE

The purpose of this document is to establish the ethical and procedural foundations on which College purchasing practices are based.

## 2. DEFINITIONS

*Consultant:* A person or entity that, under an agreement other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

*Consulting services:* The provision of expertise or strategic advice presented for consideration and decision-making.

*Contract value:* With the purchase of a good, the contract value of the purchase is its cost not including taxes, freight/shipping charges, foreign currency translations and any required installation costs. With the purchase of a service, the contract value of the purchase is the annual cost for the service multiplied by the number of years of service requested. For instance, if the cost of a five-year service agreement is \$20,000 annually, then the contract value of the purchase is determined to be \$100,000.

*Hospitality:* The provision of food, beverage, accommodation, transportation and other amenities paid out of public funds.

*Major:* A purchase with a transaction value of \$100,000 or more.

*MERX:* A well-recognized and respected electronic tendering service claiming to be a complete source of public tenders, private tenders, U.S. tenders, and private-sector construction news available in Canada.

*Selection committee:* Includes at least the Budget Manager and the Manager, Purchasing and Payment Services, or designate. Additional members may be required to provide a broader perspective. The Chair of a selection committee is the Budget Manager accountable for the purchasing decision, with other members supporting the Chair in an advisory capacity.

*Short term:* One year or less

*Single sourcing:* The use of a non-competitive procurement process to acquire goods, services, or construction from a specific supplier, even though there may be more than one supplier capable of delivering the same good, service or construction.

*Sole sourcing:* The use of a non-competitive procurement process to acquire goods or services when there is only one available supplier capable of delivering the same good or service.

*Transaction value:* The contract value for one fiscal year.

### 3. STANDARDS AND GUIDELINES

#### 3.1. Authority

- 3.1.1. To ensure compliance with government requirements and demonstrate accountability with public funds, the Purchasing and Payment Services department and the Retail Services department are the only departments authorized to issue, amend or cancel a purchase order. Both departments have staff that act as purchasing agents for the College and as such can authorize purchase orders beyond normal assigned operating limits providing that the requisition has already received the appropriate level of authorization from the requisitioning department.
- 3.1.2. The Purchasing and Payment Services department is responsible for managing the purchasing process by providing effective and efficient methods for the procurement of goods and services with a centrally administered purchasing service to assist college departments in maximizing value. Unauthorized commitments will be a personal obligation of the person making the commitment, and not an obligation of the College.
- 3.1.3. As an ancillary service, Retail Services is authorized to issue, amend or cancel a purchase order because it has a primary need to manage inventory.
- 3.1.4. All principles within this policy apply to all College departments, including Purchasing and Payment Services and Retail Services.
- 3.1.5. Purchasing processes follow the Broader Public Sector Procurement Directive(s) issued by the Management Board of Cabinet.
- 3.1.6. All purchases normally follow the principles set out in Standard 2: PURCHASING MATRIX – GOODS AND NON CONSULTING SERVICES AND Standard 3: PURCHASING MATRIX – CONSULTING SERVICES, which identify approval limits, authorities, and the purchasing process.
- 3.1.7. Budget Managers adhere to purchasing standards and consult with the appropriate College department as described in Standard 4: PURCHASING STANDARDS.
- 3.1.8. The Budget Manager may delegate authority and approval limits to requisitioners within their area.
- 3.1.9. The College acquires goods and services that benefit the College. The College does not purchase goods or services for the unauthorized personal use of College staff or students, except through its normal retail operations.
- 3.1.10. Exceptions to this policy are subject to the approval of the Vice-President, Finance and Administration.

#### 3.2. Roles and Responsibilities

- 3.2.1. Requisitioner: Responsible for complying with the principles identified in purchasing policies and following the purchasing procedures communicated by Purchasing and Payment Services.
- 3.2.2. Budget Manager: Accountable for the purchasing decisions made in their area of responsibility, the assessment of supplier's performance, and the management of the contract associated with the purchase. Signed copies of the final contract are kept in the requisitioner's area with a scanned copy sent to Purchasing.

- 3.2.3. Budget Manager, Dean, Director, VP: Responsible for authorizing large or otherwise significant transactions within their area of responsibility, and providing defensible rationale for single sourcing and sole sourcing as appropriate to their level of authorization.
- 3.2.4. Purchasing and Payment Services: Responsible for the integrity and transparency of the purchasing process.

### 3.3. Fairness

- 3.3.1. All College purchases follow fair practices free of conflict of interest.
- 3.3.2. Purchases are not artificially partitioned to avoid applying proper purchasing principles.
- 3.3.3. Selection criteria are used with each purchasing decision. The budget unit, in co-operation with Purchasing where necessary, determines selection criteria before the purchase.
- 3.3.4. Purchases exceeding a transaction value of \$20,000 involve a selection committee using written selection criteria.
- 3.3.5. Major purchases are competitively sourced every five years unless there is a significant capital investment required by the supplier, in which case the tender may not exceed 10 years.
- 3.3.6. The College may participate in purchasing co-operatives and may be bound by such cooperatives.
- 3.3.7. It is the responsibility of the Budget Manager to obtain and document verbal or written quotes when necessary. Appropriate documentation to support verbal quotes is especially important and the quotes must be current. When an attempt at a minimum number of quotes has not been successful, the requisitioner should note the attempt or the reason.
- 3.3.8. Prices obtained from suppliers or potential suppliers are intended for College use only. Pricing information is kept confidential.
- 3.3.9. A preferred vendor status is permitted only when there has been a competitive process or a pre-qualifying process evaluated and reviewed by a selection committee.
- 3.3.10. The College will not process supplier invoices that are not supported by a requisition.
- 3.3.11. College staff avoid any real or perceived conflict of interest in purchasing decisions.

### 3.4. Encumbrances

- 3.4.1. Encumbrances are recorded on a timely basis.
- 3.4.2. Blanket Purchase Orders may be used for high volume purchases of similar types of goods or services from a single supplier during the course of a fiscal year. Blanket Purchase Orders may not exceed one fiscal year unless linked to a multi-year construction project. Blanket Purchase Orders follow the principles as outlined in Standards 2 and 3.

### 3.5. Specific Goods or Services

- 3.5.1. Canadian manufactured goods are given preference where quality and price are comparable.
- 3.5.2. The College supports and promotes the use of internal College departments as suppliers for departmental requests for goods and services. Examples of such internal departments include Retail Services and Reprographics.

- 3.5.3. Computer hardware and software requisitions follow the standards set by Information Technology Services to provide for the best value for the College. All purchases related to computer hardware or software follow the same principles as outlined in Standards 2 and 3, and as applicable are subject to a formal competitive process administered by the Purchasing and Payment Services department. Requisition requests that do not require formal quoting are sourced directly from Retail Services or sourced directly from a third party with the approval of Retail Services.
  - 3.5.4. Furniture requisitions should follow the standards set by Facilities Management.
  - 3.5.5. Purchases related to construction and renovation tenders follow the same principles as outlined in Standard 2, and as applicable, are subject to a formal competitive process administered by Purchasing. Where a pre-qualified process has been completed, tender numbers may be supplied by Purchasing for Facilities Operations or for Campus Planning and Capital Development to reference documents for tracking purposes.
  - 3.5.6. Electrical devices must have evidence of approval by the Canadian Standards Association (CSA) or equivalent.
  - 3.5.7. The Vice-President, Finance and Administration assesses purchases involving lease arrangements, except for property leases, to determine the appropriateness of the lease and the impact on the College financial statements, if any.
  - 3.5.8. The use of public funds for the purchase of consultant lobbyists is prohibited.
  - 3.5.9. Contractor contracts do not contain terms that allow for direct re-imbursment for hospitality, but may contain charges for per diem rates.
  - 3.5.10. Sole Sourcing and Single Sourcing
  - 3.5.11. Requisitions that contain sole sourcing or single sourcing rationale must be authorized at one higher level of approval than is normally authorized as per Standard 2.
  - 3.5.12. A requisitioner proposing sole sourcing or single sourcing must provide a rationale and the rationale accepted at the appropriate approval level. The rationale must be defensible according to the Supply Chain Guidelines and the Agreement on Internal Trade.
  - 3.5.13. Purchasing is available to clarify and research sole and single rationale on a case per case basis.
- 3.6. Consulting Services
- 3.6.1. Purchases related to consulting services follow the processes and authorization limits outlined in Standard 3.
  - 3.6.2. Consulting service contracts must be authorized as outlined in Standard 3 before the commencement of services.
  - 3.6.3. Consulting service contracts contain clear terms of reference, and re-imbursment of expenses are limited to those specified in the contract.
  - 3.6.4. Consulting service contracts do not contain terms that allow for direct re-imbursment for hospitality, but may contain charges for per diem rates.

*Policy No. & Title:* C106: PURCHASING

*Addendum:* **Standard 2: PURCHASING MATRIX – GOODS AND NON-CONSULTING SERVICES**

*Issued by:* Vice-President, Finance and Administration

*Effective:* 2015-05-27

**PURPOSE**

The purpose of this document is to set out the authorization, approval and methods associated with contracts for goods and non-consulting services, according to the contract value.

<b>Authorization Limit</b>	<b>Approval</b>	<b>Purchasing Process</b>	<b>Purchasing Method</b>	<b>Selection Committee</b>
Less than \$1,000	Budget Manager or authorized requisitioner	No quotes.	P-card (procurement card)	Not required
From \$1,000 to \$9,999	Budget Manager or authorized requisitioner	Purchase may be sourced directly by the requisitioner from vendor without competitive quotes, however Purchasing is available to assist with verbal or written quotes as requested by the Budget Manager.	Purchase Requisition and Purchase Order (PO)	Not required
From \$10,000 to \$19,999	Budget Manager or authorized requisitioner	Invitational competitive procurement (minimum of three suppliers are invited to submit a bid).	Purchase Requisition and PO	Not required
From \$20,000 to \$49,999	Budget Manager	Request for Quote or Request for Proposal.	Purchase Requisition and PO and Contract	Required
From \$50,000 to \$99,999	Dean or Director (1)	Request for Quote or Request for Proposal (either process may be on MERX).	Purchase Requisition and PO and Contract	Required
From \$100,000 to \$199,999	Dean or Director (1)	Request for Quote or Request for Proposal or Request for Supplier Qualification. All on MERX.	Purchase Requisition and PO and Contract	Required
Over \$199,999 (2)	Vice-President	Request for Quote or Request for Proposal or Request for Supplier Qualification. All on MERX.	Purchase Requisition and PO and Contract	Required

Notes: (1) Where Dean or Director level does not exist, approval is by Vice-President.

(2) Approval may be subject to other Board policies.

**COLLEGE POLICY MANUAL**

*Policy No. & Title:* C106: PURCHASING

*Addendum:* **Standard 3: PURCHASING MATRIX – CONSULTING SERVICES**

*Issued by:* Vice-President, Finance and Administration

*Effective:* 2015-05-27

**1. PURPOSE**

The purpose of this document is to set out the authorization, approval and methods associated with contracts for consulting services, according to the contract value.

<b>Authorization Limit</b>	<b>Approval</b>	<b>Purchasing Process</b>	<b>Purchasing Method</b>	<b>Selection Committee</b>
Less than \$20,000	Budget Manager or authorized requisitioner	Invitational Letter to a minimum of 3 proponents.	Purchase Requisition and Working Relationships Form and Contract	Not required
From \$20,000 to \$49,999	Budget Manager	Invitational Letter or Request for Proposal to a minimum of 3 proponents.	Purchase Requisition and Working Relationships Form and Contract	Required
From \$50,000 to \$99,999	Dean or Director (1)	Invitational Letter or Request for Proposal to a minimum of 3 proponents.	Purchase Requisition and PO and Contract	Required
From \$100,000 to \$199,999	Dean or Director (1)	Request for Proposal on MERX.	Purchase Requisition and PO and Contract	Required
Over \$199,999 (2)	Vice-President	Request for Proposal on MERX.	Purchase Requisition and PO and Contract	Required

Notes: (1) Where Dean or Director level does not exist, approval is by Vice-President.

(2) Approval may be subject to other Board policies.

*Policy No. & Title:* C106: PURCHASING

*Addendum:* **Standard 4: PURCHASING STANDARDS**

*Issued by:* Vice-President, Finance and Administration

*Effective:* 2015-05-27

## 1. PURPOSE

The purpose of this document is to establish a College standard for the quality and compatibility of purchasing activity. It identifies the internal consultation that a requisitioner must seek according to the nature of the goods or services under requisition. Consultation occurs before purchase commitment. The process remains the same regardless the value of the goods or services.

<i>Item</i>	<i>Required Consultation (and often processing department)</i>	<i>Purpose</i>
Advertising and promotional materials	Marketing and Communications	Conformity with established practices
Architectural, engineering or other design consultants	Facilities Management	Conformity with established standards
Audio-visual (classroom-based)	Technical Support Services	Compatibility with existing equipment
Buildings, land or property leases	Facilities Management	Conformity with established health and safety standards and Board policy
Chemicals	Health and Safety Services	Proper risk assessment
Computer hardware (academic) and all desktop printers (academic & administrative)	Technical Support Services	Conformity with established standards and compatibility with existing equipment
Computer hardware (administrative)	Technical Support Services	Lower net cost to the College, and conformity with established standards
Computer software	Information Systems Services.	Suitability and measurement of service impact
Furniture and fixtures	Facilities Management	Conformity with established standards



**COLLEGE POLICY MANUAL**

<b><i>Item</i></b>	<b><i>Required Consultation (and often processing department)</i></b>	<b><i>Purpose</i></b>
Legal services	Property: Facilities Management Human Resources or Student issues: HR Other: VP Finance and Administration	Promote consistent treatment and comply with audit requirements
Office supplies and stationary	Retail Services	Lower net cost to the College
Printing	Information Systems Services	Lower net cost to the College
Signage	Facilities Management and Marketing and Communication	Conformity with established standards
Telecommunications	Network Services and Computer Operations	Conformity with established standards
Temporary office support and executive search	Human Resources	Conformity with established Vendor of Record List
Vehicle purchase	Facilities Management in consultation with Motive Power Technology	Conformity with ecological standards
Utilities	Facilities Management	Conformity with established standards

-0-0-0-

*Policy No. & Title:* C106: PURCHASING

*Addendum:* **Standard 5: SUPPLY CHAIN CODE OF ETHICS**

*Issued by:* Vice-President, Finance and Administration

*Effective:* 2015-05-27

---

## 1. PURPOSE

The purpose of this document is to promulgate the BPS Procurement Directive – Supply Chain Code of Ethics. This College is bound by this directive in all of our purchasing activity.

## 2. BPS PROCUREMENT DIRECTIVE – SUPPLY CHAIN CODE OF ETHICS

### 2.1. Goal

An ethical, professional and accountable supply chain.

### 2.2. Personal Integrity and Professionalism

All broader public sector (BPS) supply chain participants 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 BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not accept gifts and favours, provide preferential treatment, publicly endorse suppliers or products or engage in any other activity that would create, or appear to create, a conflict of interest.

### 2.3. Accountability & Transparency

Supply chain activities must be open and accountable. In particular, tendering, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that scarce public sector resources are used in a responsible, efficient and effective manner.

### 2.4. Compliance & Continuous Improvement

All BPS supply chain participants must comply with this Code of Ethics and the laws of Canada and Ontario. Participants should continuously work to improve supply chain policies and procedures, to improve supply chain knowledge and skill levels, and to share leading practices.

-0-0-0-