

## **PURCHASING POLICY**

### **Policy Statement**

Effective purchasing facilitates fiscal stewardship, increased value, financial sustainability, ethical management and accountability. Our Purchasing Policy supports our achievement of our vision, mission, and mandate by providing broad programming designed to provide graduates with opportunities to improve their lives, prepare for further education, and advance their careers. Bow Valley College (BVC) purchasing activities must ensure the fair treatment of vendors/suppliers and promote the legal, reputational, and financial interests of the College. All materials, services and assets purchased should make optimal use of resources for their intended purpose.

### **Purpose**

The purpose of this policy is to set principles associated with the purchase of Goods & Services and Construction Services at Bow Valley College.

### **Scope**

Ancillary and Facilities Services (described in this policy as Purchasing Services) is the primary purchaser of the College. However this policy applies to all employees and independent contractors of the College who are involved in acquiring goods and services and/or construction services from vendors/suppliers on behalf of the College.

The following areas of goods and services are excluded from this Purchasing Policy:

- Legal & notary services; and
- Treasury & financial services.

### **Principal Objectives**

#### Purchasing Values at BVC

1. Bow Valley College Purchasing Services shall work to be in compliance with the relevant legislation and ethical and professional purchasing standards listed in this policy (see Directly Related Legislation and Directly Related Guidelines on the Data sheet).
2. Business gifts, other than items of small intrinsic value (generally under \$100), should not be accepted. Reasonable hospitality is an accepted courtesy of a business relationship. The frequency and nature of gifts or hospitality accepted should not expose the recipient to the perception by others that they have been influenced in making a business decision as a consequence of accepting hospitality or gifts. Employees/independent contractors involved in purchasing decisions should maintain relationships with vendors/suppliers that are consistent with the College's Employee Code of Conduct, the Gift Acceptance and Recognition Policy, and the professional Code of Conduct of the Supply Chain and Logistics Association of Canada.
3. Purchasing decisions, actions, and/or communications at the College should:
  - I. Ensure that use of resources is for their intended purposes;

- II. Ensure fair dealings with vendors/suppliers of Goods and Services; and
  - III. Avoid real or perceived conflicts of interest including, but not limited to, employees/independent contractors utilizing their position to garner personal favours or advantages or to provide preferential treatment towards vendors/suppliers. Where conflict of interest exists, or is perceived to exist, between a representative of the College and a recipient, the conflict of interest must be reported in writing to the supervisor, and the employee/independent contractor must be exempted from any further action and excluded from the decision making process. Although the College can proceed with contracting with the vendor/supplier, the College employee/independent contractor deemed to be in conflict must abstain from any voting and cannot sign any agreement. Such agreements must be signed by another authorized employee/independent contractor of the College.
4. Purchase order information and responses from vendors/suppliers to tenders/bids are considered confidential information. College employees/independent contractors are not to discuss such terms with other vendors/suppliers. All inquiries for information regarding the awarding of College business should be referred to purchasing services. Vendors/suppliers may be informed that BVC is subject to legislation (e.g. the *Freedom of Information and Protection of Privacy Act* and other legislation cited in the Data Sheet), which have implications for records created and retained in the purchasing process and for any disclosure of such information to any party.
  5. The College expects vendor/supplier applications to accurately reflect their capacity to satisfy the requirements stipulated in the College Invitational Tenders and Bids. Vendors/suppliers are obliged to alert Purchasing Services of any factual errors in submissions and during the entire course of a business relationship. Vendors/suppliers selected by Purchasing Services are required to meet insurance, WCB, and other requirements. Vendors/suppliers are required to have appropriate bonding in place for facility, renovation, and construction projects of a value equal to or greater than \$200,000. The College may request bonding for projects less than \$200,000. Types of bonds may include bid bonds, performance bonds, and labour and material bonds. Waiving of bonding requirements are only authorized by the vice president, college services, in cases where there is minimal risk.
  6. The College promotes a safe, healthy, and ergonomic working environment. Purchases that impact the health and safety of the College community may be required to obtain an Occupational Health & Safety Assessment from the College's Human Resources. Additionally, the following list of safety requirements will apply to purchasing decisions at BVC:
    - All electrical equipment must be Canadian Standards Association (CSA C22.1) approved with appropriate labels; and
    - Employees and independent contractors involved in purchasing decisions shall receive training about Occupational Health and Safety standards.

**BVC Purchasing Conditions**

7. The College will operate a centralized purchasing system through Purchasing Services.
8. Purchasing approval by select College business units is required for any purchase that relates to specific categories, as indicated:

BVC Business Unit	Categories Delegated
Human Resources	<ul style="list-style-type: none"> <li>Recruitment and selection advertising</li> </ul>
Ancillary and Facilities Services	<ul style="list-style-type: none"> <li>Mechanical, maintenance, repair, construction and transportation goods and services</li> <li>Furniture (including repair and replacement, space and facility leases, tenant improvements and rentals)</li> <li>Safety, security, and emergency preparedness goods and services</li> </ul>
Marketing and Communications	<ul style="list-style-type: none"> <li>Website/social media goods and services</li> <li>Crisis communications goods and services</li> <li>Goods and services used to officially promote the College in the community (any marketing of the College using the its logo)</li> </ul>
Information Technology Services	<ul style="list-style-type: none"> <li>Information management and electronic communications services and technology.</li> </ul>

9. Orders shall be initiated through the generation of a purchase requisition, either manually or through an electronic remote purchase requisition process. Products or services purchase requisitioned must be specified in sufficient detail to enable Purchasing Services to secure quotations or tender/bid the purchase. Purchase orders may be initiated by a request within the BVC Business Information and Finance Department (Agresso User Access (300-2-5)).
10. All purchases must be properly authorized by the appropriate signing authority (See Delegated Signing Authority Policy & Procedure 100-2-5). The employee/independent contractor authorized to initiate purchases may proceed to obtain quotes directly from the vendor/supplier or by contacting Purchasing Services for assistance.
11. Unless otherwise specified, the decision to initiate a purchase from budgeted funds rests with the designated signing authority for the cost center involved (See Delegated Signing Authority Policy (100-2-5)). Employees/independent contractors who initiate purchases are responsible for ensuring that sufficient budgetary funds are available. All purchases are subject to available budget funds.
12. A formal process will be used prior to a major purchase of equipment, supplies or award of a construction contract, or service contract (see Article 20 of this policy). While this process will generally be subject to public invitational tender opening, the vice president, college services has the discretion to rule that tenders/bids will be opened in camera. This process may also be used in areas involving purchases of specialized services and other circumstances that warrant special treatment.
13. Where unusual or special tender/bid requirements are contemplated, departments may discuss such requests with Purchasing Services prior to a requisition submission.
14. In cases of regularly recurring material purchasers, agreements, blanket orders or standing offers may be placed with a supplier who has been selected as the selected bidder on a call for tender/bid (also referred to as preferred supplier). Tendering for blanket orders may be carried out yearly and may follow the criteria listed within the Delegated Signing Authority Policy (100-2-5).

15. The purchasing process includes specification of the purchases set out on the Purchase Requisition, selection of the Vendor/Supplier and establishment of contract conditions including the price to be paid. If the purchases offered do not conform to the specifications or the price significantly exceeds the area's own estimate, the matter will be referred to the Purchasing Services for a recommendation.
16. At certain times the College may have to utilize a sole source solicitation, due to specific justifications. In such cases, a sole source justification and approval document must be completed by the requestor and authorized by the vice president, college services. Single source justifications are:
  - a. Where it can be demonstrated that the item is only available from one supplier;
  - b. Urgency - proven delays from other methods of solicitation are not bearable and are not acceptable to the College;
  - c. Specific contexts (geographical, contractual, political, legal, military, security, etc.) may require non-competition sources;
  - d. All other sources are inadequate (compatibility, compliance, price, quality, service, support, etc.);
  - e. Bow Valley College could be prevented from gaining maximum benefit through a strategic alliance; and
  - f. Any other specific reason for the choice of a single/sole source provider that would be consistent with TILMA.

Monetary Value of Tenders and Required Actions

17. Total purchase value should consider the value (\$ Canadian Dollars) over a period of time. Required actions apply when it is known that the selection of purchases over a period of time will reach the noted thresholds identified **Table 1** and **Table 2**.
18. Splitting the total purchase value of Goods & Services or Construction Services into smaller amounts to circumvent purchasing actions, requirements or the approval limits listed in **Table 1** and **Table 2** is prohibited.
19. In a situation where a contract for services needs to be extended, the **Table 1** amounts need to be considered and the sole source justification and approval documents needs to be reviewed for applicability. New deliverables trigger the start of a new engagement process.
20. All purchase value thresholds identified in **Table 1** and **Table 2** exclude GST and other applicable taxes.
21. Tenders/bids for continuing supply of goods and services/construction services should be awarded for a maximum of three (3) to five (5) year fiscal period; tenders/bids or proposals to be issued for more than five years must be approved by the president.
22. Purchases, other than those specifically exempt within this Policy, shall have required actions based on the price quotes in **Table 1** and **Table 2** below.

**Table 1**

	Purchase Value	Required Action
<b>Goods &amp; Services</b>	\$0 - \$24,999.99	<ul style="list-style-type: none"> <li>• Purchase order or contract required</li> <li>• One written/email quote minimum, additional quotes encouraged</li> </ul>
	\$25,000 to \$74,999.99	<ul style="list-style-type: none"> <li>• Purchase order or contract required</li> <li>• Minimum of 3 written/email quotes required</li> </ul>
	≥\$75,000	<ul style="list-style-type: none"> <li>• Formal competitive bid</li> </ul>

**Table 2**

	Purchase Value	Required Action
<b>Construction Services</b>	\$0 - \$49,999.99	<ul style="list-style-type: none"> <li>• Purchase order or contract required</li> <li>• Written quotes encouraged</li> </ul>
	\$50,000 to \$199,999.99	<ul style="list-style-type: none"> <li>• Purchase order or contract required</li> <li>• Minimum of 3 written/email quotes required</li> </ul>
	≥\$200,000	<ul style="list-style-type: none"> <li>• Formal competitive bid</li> </ul>

23. The listed thresholds and required actions in **Table 1** and **Table 2** apply to contractual engagements with Independent Contractors. If the purchases offered do not conform to the price specifications and required actions listed, the matter will be referred to Purchasing Services.

24. All tangible items purchased must be received through centralized receiving.

## Compliance

All College Employees, Independent Contractors, Vendors/Suppliers and volunteers are responsible for knowing, understanding and complying with Bow Valley College policies, procedures and other attached documentation that relate to their employment or relationship at the College. Non-compliance may create risk for the College and may result in loss of signing authority, purchasing privileges and other disciplinary actions cited in the Employee Code of Conduct Policy & Procedure.

Additionally any deviation from the guidelines listed in this Policy may result in the suspension of purchasing processes. Business Information & Finance may not process any related invoices sent by the related Vendor/Supplier. Furthermore, Purchasing Services, in conjunction with Business Information & Finance, may report non-compliance cases to BVC Human Resources.

## Definitions

**Bid:** An offer to buy or sell goods and services by a purchaser or vendor/supplier.

**Blanket Order:** Is contracted on one purchase order, but remains valid for an extended period of time, and will usually have irregular delivery cycles of goods and services.

**Bonding:** is a percentage of a tender/competitive bid price and forms a security guaranteeing the fulfillment of a particular contract. If the vendor/supplier fails to enter into a contract with the College, the College may seek compensation under the bond. Examples include bid bond, performance bond, labour and materials bond, and surety bonds.

**College Standard Contract Template:** A contract template approved for use across BVC, issued from Business Information and Finance

**Competitive Bidding Process:** Is the formal means by which potential vendors/suppliers are invited to submit their proposal to supply goods and services to the College.

**Conflict of Interest:** Is when a college employee/independent contractor, or family member, or close personal or business connection, is or may be perceived to be in conflict when making decisions on behalf of the College that would benefit them directly, or indirectly, by entering into a contractual obligation. Any such possibility must be declared in advance to the decision making body, prior to consideration of any contract, and that person must abstain from any voting power.

**Contract:** A document that records a formal and/or legally binding agreement.

**Construction Services:** Purchases related to the construction and/or maintenance of College buildings.

**Employee:** Those who are employed by Bow Valley College. Bow Valley College pays employees directly and also file tax information and deductions with the Canadian Revenue Agency.

**Goods and Services:** Includes, but is not limited to, equipment, materials, supplies; services such as consultancies, professional and/or related services; and public utilities.

**Independent Contractor:** Businesses, either sole proprietorships or multi-person companies, which provide goods and/or services to the College through a business transaction, are independent contractors. Worker payments, transactions, taxes and benefits are the responsibility of the independent contractor.

**Invitational Tender:** The College invites specific vendors/suppliers to submit tenders, or proposals, usually from a pre-qualified bidders list.

**Pre-Qualification:** A method of ensuring that vendors/suppliers' or contractors' equipment and services quoted on, meets the standards requested by the College. For purposes of expediting purchasing or procurement processes, the College could maintain an inventory of pre-qualified sellers from which to draw from.

**Public Tendering:** Is a formal process, including public notices, inviting prospective vendors/suppliers to bid on the College's request for very specific goods and services. Public tenders are opened in public at a designated time and place.

**Purchase Order:** A purchasing services document used to formalize and commit a binding purchasing transaction or contract with a vendor/supplier.

**Purchase Requisition:** An internal document used to request purchasing services to purchase goods and services.

**Quote:** A written statement of price, terms of sale, and specific description of goods and services offered by a vendor/supplier.

**Sole Source:** A purchase from a supplier of a good and service without a competitive process. This is only done where the good and service is to be obtained only from one source.

**Supply chain:** A supply chain is a system of organizations, people, activities, information, and resources involved in moving a product or service from supplier to customer.

**Vendors/Suppliers:** A vendor/supplier is an independent enterprise that contributes goods and services to the College's supply chain.

**Tender:** The act of offering for sale, in written form, construction services requested by specifications of tender.



**DATA SHEET**

**Accountable Officer**

Vice President, College Services

**Responsible Officer**

Director, Ancillary & Facilities Services

Director, Business Information & Finance

**Relevant Dates**

<b>Approved</b>	<b>November 21, 2014</b>
<b>Effective</b>	<b>November 21, 2014</b>
<b>Next Review</b>	<b>November 2017</b>
<b>Modification History</b>	

**Related Policy**

Agresso User Access (300-2-5)

Bookstore (300-1-3)

Credit Card (100-1-5)

Delegated Signing Authority (100-2-5)

Disclosure of Travel and Expense (100-1-3)

Employee Code of Conduct (200-1-1)

Enterprise Risk Management (600-1-4)

Ethical Business Practice (200-1-5)

Fraud Policy (200-1-4)

Gift Acceptance and Recognition (400-1-6)

Health and Safety Policy (200-2-3)

Protected Disclosure Policy (200-1-6)

Travel and Hospitality Expense Policy (100-1-4)

**Related Procedures**

Credit Card Procedure (100-1-5)

Delegated Signing Authority Procedure (100-2-5)

Employee Code of Conduct Procedure (200-1-1)

Expense Claim Procedure (100-1-6)

Travel and Hospitality Expense Procedure (100-1-4)

**Related Guidelines**

Canadian Electrical Code, CSA C22.1

(Canadian Standards Association)

Code of Conduct (Supply Chain & Logistics

Association of Canada)

Public Sector Accounting Handbook (Canadian  
Institute of Chartered Accountants)

**Related Legislation**

Access to Information Act (Canada)

Agreement on Internal Trade (Canada)

Competition Act (Canada)

Financial Administration Act (Alberta)

Freedom of Information and Protection of

Privacy (Alberta)

Lobbyist Act (Alberta)

Lobbying Act (Canada)

New West Partnership Trade Agreement

(Western Canada)

Personal Information Protection Act (Alberta)

Personal Information Protection and Electronic  
Documents Act (Canada)

Post-Secondary Learning Act (Alberta)

Public Interest Disclosure Act (Alberta)

Trade, Investment and Labour Mobility  
Agreement (Canada)

Other relevant legislation that applies to  
Canadian citizens and the residents of Alberta