

**TITLE: PURCHASING POLICY**

<b>Date of Approval: October 23, 2013</b>	<b>Mandatory Review Date:</b>	<b>Approved By:</b>
<b>Effective Date: October 23, 2013</b>	<b>October 1, 2016</b>	<input checked="" type="checkbox"/> Board of Governors <input type="checkbox"/> President's Council <input type="checkbox"/> Senate

**1.0 PURPOSE**

The purpose of this Policy is to:

- Set rules which ensure that goods and services are acquired through a process that is open, fair, transparent and consistent with provincial government policy;
- Establish an accountability framework to effectively guide Sheridan staff with assignment of clear responsibilities throughout each stage of the procurement process, including approval and signing authority;
- Ensure that Sheridan's procurement processes are managed appropriately and consistent at all times.

**2.0 APPLICATION AND SCOPE**

This policy applies to:

- i) the purchase of all goods and services by Sheridan;
- ii) the execution of documents and/or agreements that create obligations to or from Sheridan.

This policy does not prevail over legislation or a collective agreement.

All references to procurement value amounts in this Policy and Procedure exclude applicable sales taxes.

**3.0 DEFINITIONS**

**“Applied Research and Creative Activities Agreements”** means agreements entered into with third parties related to Applied Research and/or Creative Activities at Sheridan (as defined in the Applied Research and Creative Activities Policy).

**“Consultant”** means 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**” means the provision of expertise or strategic advice that is presented for consideration and decision making.

“**Goods and Services**” means any goods, construction and services, including but not limited to information technology and consulting services.

“**Invitational Competitive**” means a procurement process possibly leading to an agreement for the purchase of goods and services which enables at least three qualified suppliers, invited by Sheridan, to compete in a fair and open environment.

“**Non-Consulting Services**” means the provision of any service that does not fall within the meaning of “Consulting Services” defined above.

“**Open Competitive**” means a procurement process possibly leading to an agreement for the purchase of goods and services which enables all suppliers to compete in a fair and open environment”

#### **4.0 PRINCIPLES OF PURCHASING**

- 4.1. The leadership for the purchasing of goods and services at Sheridan is primarily the responsibility of the Purchasing Department. Authority to make certain purchases below \$25,000 per transaction may be delegated to departments, within the Procedures set out by the Purchasing Department.
- 4.2. Sheridan aspires to high ethical, legal, environmental, managerial and professional standards in the management of resources entrusted to it. Within this context Sheridan’s procurement function shall be performed in a fair and transparent manner where goods and services are procured in an open, competitive environment and where all transactions yield the optimal benefit to Sheridan.
- 4.3. Sheridan shall comply with the Broader Public Sector Procurement Directive and all applicable Local, Provincial and Federal laws.
- 4.4. Sheridan supports the values of sustainability, social responsibility and fair labour practices. Sheridan will be guided by our Sustainability Policy and our Mission Zero Energy and Zero Waste and Carbon Plan, where practical. In support of these documents and institutional targets, Sheridan shall incorporate sustainability into procurement practices for all formal bid opportunities, and give favourable consideration in its evaluation process to goods and services that reflect Sheridan’s commitment to sustainability and broader social responsibility.
- 4.5. Sheridan will ensure that purchasing decisions achieve best value for monies expended by seeking supply arrangements which provide the optimum combination of quality, suitability, sustainability, life cycle cost and services.
- 4.6. This Policy shall apply to all acquisitions, unless an exemption has been noted in this Policy, expended from Sheridan operating capital, ancillary, donations, special purpose and research funds. All Sheridan employees shall abide by this Policy and its associated procedures.

- 4.7 Sheridan shall comply with Ontario Regulation 191/11 made under the *Accessibility for Ontarians with Disabilities Act, 2005*.
- 4.8 Sheridan encourages cooperative procurement with other broader public sector agencies when it is in Sheridan's best interest to do so. When Sheridan participates in a cooperative procurement process the procedures and policies of the agency calling the tender, proposal or quotation will be followed, provided they conform to the BPS procurement directives.
- 4.9 No Sheridan employee or agent shall attempt to influence the procurement of goods or services for Sheridan on the basis of the Vendor's previous record of philanthropic giving to Sheridan or on the basis of the Vendors' stated intent to give to Sheridan in the future.

## **5.0 PROCUREMENT PROCESS AND APPROVAL SCHEDULES**

All procurement shall be executed in accordance with the appropriate Procurement Process as outlined in the schedules below and in accordance with the Purchasing Procedure.

The Approval and Signing Authority Schedule must be consulted to ensure that the appropriate person(s) approve the procurement and sign any resulting documentation.

These schedules may be amended from time to time to conform to government public accountability directives.

### **5.1 Procurement Process Required for Goods and Services**

Value	Procurement Process Required
< \$7,000	May single source provided conditions are met as outlined in the Purchasing Procedures
\$7,000 to \$100,000	Invitational competitive. Three quotes required as outlined in the Purchasing Procedures
\$100,000 to unlimited	Open, publicly advertised, competitive process as outlined in the Purchasing Procedures

## 5.2 Procurement Process Required for Consulting Services

Value	Procurement Process
\$0 to \$100,000	Invitational competitive. Three quotes required as outlined in the Purchasing Procedures
\$100,000 to unlimited	Open, publicly advertised competitive process as outlined in the Purchasing Procedures

## 5.3 Signing Authority for all Contracts Other than Applied Research Contracts

Total Contract Value	Contract Signing Authority
\$0 to \$25,000	<b>ONE OF:</b> Director, Dean or equivalent or higher, Manager of Purchasing
\$25,001 to \$100,000	<b>ONE OF:</b> Dean, Vice President, Director or equivalent or higher <b>AND:</b> Manager of Purchasing Services
\$100,000 to \$2,000,000	<b>ONE OF:</b> President or Vice President <b>AND:</b> Manager of Purchasing Services
>\$2,000,000	<b>ONE OF:</b> Board Chair or Vice Chair  <b>AND</b> <b>ONE OF:</b> President, Vice President, Finance and Administration

Note: The value of the contract must consider the Total Value of the contract. For example a 3 year contract valued at \$25,000 per year would have a total value of \$75,000.

Note: See Section 5.5 for details regarding Applied Research Contracts

#### 5.4 Approval Schedule for Requisitions and Invoices

A requisition may be submitted to Purchasing in accordance with the approval schedule below. An invoice with a valid Purchase Order may be approved for payment as per the schedule below.

Value of Requisition or Invoice	Approval Authority
\$0 to \$1,000	As per Schedule submitted by the Dean/Director (or equivalent)
\$0 to \$5,000	As per Schedule submitted by the Dean/Director (or equivalent)
\$0 to \$20,000	As per Schedule submitted by the Dean/Director (or equivalent)
\$0 to \$50,000	As per Schedule submitted by the Dean/Director (or equivalent)
\$0 to \$100,000	As per Schedule submitted by the Dean/Director (or equivalent)
\$0 to \$2,000,000	President or Vice President
> \$2,000,000	<b>ONE OF:</b> Board Chair or Vice Chair  <b>AND</b>  <b>ONE OF:</b> President or Vice President, Finance & Administration

#### 5.5 Approval and Signing Authority for Applied Research Agreements

Funded Applied Research Agreements must be approved and signed by the Dean, Applied Research and Innovation, Provost and Vice President Academic or the President.

Unfunded Applied Research Agreements must be approved by Dean's Council and signed by the applicable Dean, Provost and Vice President Academic or the President.

If an Applied Research Agreement is for more than five years or greater than \$1 million the contract must also be signed by the President.

Prior to executing any such agreements, the procedures outlined in the Applied Research and Creative Activities Policy and Procedure must be followed.

## **6.0 NON-COMPETITIVE PURCHASES**

A non-competitive procurement process may be utilized under the following circumstances:

### **6.1 Emergency Purchase**

The Vice President of Finance and Administration may approve the purchase of goods and services during emergency situations. Emergency goods and service purchased must be reported to the Manager of Purchasing as soon as possible after the situation has been resolved. A purchase requisition will be created by the user to authorize payment of invoices.

“Emergency” means a situation, or impending situation, which is likely to have a severe and immediate negative impact on the environment, the life, safety, health and/or welfare of students, staff, the general public, or the property of Sheridan, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level.

### **6.2 Sole and Single Source Purchase**

Sole and Single Source purchases are made only when items are unique and possess specific characteristics that can be filled by only one source. The requisitioning department will complete the Sole/Single Source form and submit the completed form to the Manager of Purchasing for review and approval. The rationale must be defensible as defined by the Broader Public Sector Procurement Directive. The Vice President of Finance and Administration will be advised of any single or sole source purchase greater than \$100,000. The Board of Governors must approve any single or sole source purchase greater than \$1,000,000.

### **6.3 Procurement for Third Parties**

In some cases, third parties will contract Sheridan to provide goods or services. When the third party will be responsible for bearing the cost of purchases made by Sheridan then a single source may be used. The single source requires advance approval from the Manager of Purchasing. The Vice President of Finance and Administration will be advised of any single source purchase greater than \$100,000. The Board of Governors must approve any single or sole source purchase greater than \$1,000,000. A purchase order is required for all purchases.

### **6.4 Agreement on Internal Trade Exemptions**

Where the Agreement on Internal Trade grants an exemption to competitive bidding, non-competitive procurement may apply. Prior to the commencement of non-competitive procurement (where as a general rule competitive procurement would otherwise be required), approval shall be obtained from the Manager of Purchasing that establishes the applicability of the AIT or other trade agreements.

## **7.0 CONFLICT OF INTEREST**

Sheridan shall not acquire goods and services from a business or other entity owned by an officer or employee of Sheridan or owned by anyone who is not at arm's length from any Sheridan officer or employee.

In addition, Sheridan shall not acquire goods and services from any corporation or other entity in which an employee of Sheridan or someone with whom a Sheridan employee has a non-arm's length relationship holds a controlling interest, either directly or indirectly.

Notwithstanding the forgoing, in rare circumstances, if and when appropriate and in the best interest of Sheridan, upon full disclosure of a conflict or the perception of a conflict of interest, the President, or designate, may consider whether any such conflict exists and if so, whether it may be waived or otherwise resolved, and approve the proposed acquisition.

Furthermore, a Sheridan employee shall not take any steps to influence the acquisition of goods or services from any corporation or other entity in which the employee or those with whom they have a non-arm's length relationship hold a controlling interest, either directly or indirectly.

## **8.0 FAVOURS AND GRATUITIES**

The image and integrity of the employee and Sheridan must be preserved at all times. Therefore soliciting or accepting gifts, gratuities, or favors of any kind from outside vendors, contractors or companies is prohibited.

Gifts and gratuities include, but are not limited to:

- Cash rebates to an individual making a purchase on behalf of Sheridan
- Tickets or sponsorship to a sporting, cultural, golfing or entertainment event
- Airline flights, accommodations
- Personal discounts
- Personal commissions
- Tangible items of value (such as liquor, securities, real estate, etc.)

As an occasional, nominal business courtesy a lunch or dinner is acceptable under this policy provided the cost of the meal is less than \$50. Promotional items valued at less than \$25 are also acceptable. All supervisors are responsible for ensuring that employees are aware of and adhere to this policy. The absence of actual and perceived influence is of particular importance leading up to and during the competitive bidding process. Meals and promotional items cannot be accepted during this period.

The Vice President, Finance and Administration may grant an exemption to this policy, for example an exemption may be granted for conference appearances and travel. In addition, the Vice President of Finance and Administration may grant an exemption to this policy for Sheridan sponsored events such as the Sheridan Gala and the Sheridan Foundation Golf Tournament. The Office of the President can accept reasonable gifts on behalf of the College.

## **9.0 DISPOSAL OF SURPLUS GOODS**

All Goods purchased through Sheridan, on behalf of Sheridan or donated to Sheridan remain the exclusive property of Sheridan. Purchasing Services shall attempt to redeploy all declared surplus items within the system before disposing of them externally. When disposing of surplus items externally Sheridan shall endeavour to obtain fair value.

## **10.0 DONATIONS**

The donation of goods and services to Sheridan will be received through the Advancement Department. If applicable, information concerning goods will be passed through to the Purchasing Department for inventory control.

## **11.0 VENDOR SUSPENSION**

The purpose of vendor suspension is to protect Sheridan from risks associated with awarding contracts to vendors having exhibited an inability or unwillingness to fulfill contractual requirements, and to protect the interests of Sheridan and the integrity of the procurement process. Suspension prevents vendors who have displayed improper conduct, from participating in Sheridan contracts for specific periods of time.

Unsatisfactory supplier performance must be documented in writing. Purchasing staff will review the facts through discussions with the user department to determine the appropriate course of action.

Sheridan will not conduct business with any vendor currently engaged in litigation against Sheridan.

## **12.0 RELATED DOCUMENTS**

- Sheridan Purchasing Procedures
- Contract Checklist for Risk Management