

Purchasing Procedures Guide

Applies to: Nipissing University Faculty and Staff

What You Need to Know:

Nipissing University has specific policies ([Purchasing Approval Authority Policy](#) and [Procurement Policy](#)) and procedures in place to ensure that Nipissing abides by the Government of Ontario's current Procurement Directives, which emphasize the importance of sound management of public funds through competitive bids and transactions that are "fair, open and transparent".

1. Getting Started:

Follow these six steps and procedures prior to ordering, receiving the goods and/or services and approving an invoice for payment, to ensure the correct processes are used for the purchase you need to make.

Step 1: Identify your requirements and specifications for a good or service. If you are planning to contract for a type of 'service' (rather than a product / good), determine if it is *Consulting* or *Professional Services*. (See section 4 for definitions.)

Step 2: Determine how much the project will cost, or the anticipated total cumulative spend (dollar value). Check to ensure there is sufficient budget available for it. If a multi-year agreement is required, check that the department has sufficient budget in this fiscal year **and** beyond.

Step 3: Determine if there is an existing contract for the required goods or services by checking the Purchasing web page for [Preferred Suppliers](#). If there is an existing contract in place, an approved purchase requisition is required to be sent to Purchasing.

Step 4: Based on the total cumulative spend; determine the appropriate purchasing method and approval(s) required. (See Chart A.)

Step 5: If the spend is under \$25,000, you may proceed to obtain quotations on behalf of your department. If the spend is greater than \$25,000, contact Purchasing to complete the purchasing process for a competitive bid.

Step 6: All supplier invoices are required to be sent directly to Accounts Payable for scanning into the system. It is very important that all invoices reference the Nipissing University Purchase Order number – not the purchase requisition number or any other reference number.

CHART A: Purchasing Methods and Approval Levels

Table 1. Approval Authority Schedule (AAS) – Procurement of Goods, Non-Consulting Services, Construction and Renovations.		
Procurement Value \$	Procurement Method	Approval Authority
1 – 2,500	Purchase Order	Academic Chair, School Directors, Managers, other Supervisory Staff
2,501 – 5,000	Purchase Order	Academic Directors, Deans and Associate Deans.
5,001, 10,000	Purchase Order 2 Written Quotes Attached	Academic Directors, Deans and Associate Deans.

10,001 – 25,000	Purchase Order 2 Written Quotes Attached	Administrative Directors and Deans.
25,001 – 50,000	Invitational Competitive Minimum 3 quotes required	Executive Directors and the Registrar and Institutional Analyst.
50,001 – 100,000	Invitational Competitive Minimum 3 quotes required	Vice-Presidents.
100,001 – 500,000	Open Competitive (RFX) Posted on MERX	Two Signing Officers, one of whom must be the appropriate Vice-President, the President or the Chair of the Board,
Over 500,000	Open Competitive (RFX) Posted on MERX	President and Vice-President Administration.

Table 2. Approval Authority Schedule (AAS) – Consulting Services (see Definitions, section 4)			
Procurement Value \$	Procurement method	Approval Authority	Approval Required Non-Competitive Process
0 – 100,000	Invitational Competitive Minimum 3 quotes required	Same approval limits as for the procurement of goods, non-consulting services, construction and renovations	President
Over 100,001	Open Competitive (RFX) Posted on MERX	Same approval limits as for the procurement of goods, non-consulting services, construction and renovations	President up to \$1,000,000 and by resolution of the Board of Governors (or the Executive Committee of the Board) for services \$1,000,000 and over.

2. PURCHASING PROCESSES – COMPETITIVE BIDS

As you can see in Chart A, the total cumulative spend determines which purchasing method applies and the authority approval required. In particular:

Here's your complete guide to determine which type of competitive bid process applies to your purchase:

A. Goods or Professional Services (excluding Consulting Services) with a total cumulative spend between \$1 and \$5,000:

- Based on the requisitioner's knowledge and experience with the supplier, knowledge of last purchase price, written or verbal quotation.

B. Purchases of Goods or Professional Services (excluding consulting services) with a total cumulative spend over \$5,000 but under \$25,000:

- Written competitive quotations from no fewer than two (2) suppliers.
- If requisitioning department obtains the quotations, all original documentation must be forwarded to Purchasing with an approved Purchase Requisition.

C. Purchases of Goods or Professional Services (excluding consulting services) with a total cumulative spend over \$25,000 but under \$100 000;

- OR -

ANY Consulting services, \$0 up to \$100,000:

Three (3) invitational competitive bids are mandatory.

The Request for Quotation (RFQ) template is used for these quotations. Purchasing will work with you to prepare the template with the appropriate requirements and specifications.

- Quotations from a minimum of three (3) suppliers are required.
- All suppliers interested in bidding on these goods and/or services are to direct their submissions to Purchasing.

D. All purchases of Goods or Professional Services over \$100,000;

- OR -

All Consulting Services over \$100,000:

Open competitive bids are mandatory.

- Open competitive bids are required to be posted by Purchasing on MERX (the Government of Ontario's online open competitive bid system) for a minimum of fifteen (15) business days. The RFX templates may be used for this process.

FAQ #1: What's the difference between the process for an RFQ (Quotation) vs. that of an RFP (Proposal) and RFSQ (Qualification)?

Answer: In the RFP and RFSQ process, evaluation committees of (minimum three (3) Subject Matter Experts (SME) are involved *early in the process* to finalize and prepare the requirements, timeline, questions and responses to the suppliers as well as agreement for the scoring criteria.

Once a supplier has been selected, following the completion of the scoring, Purchasing provides notice that the competitive bid has been awarded on MERX and the Nipissing website, as well as issuance of formal letters to all successful and unsuccessful suppliers. Purchasing completes the process by preparing an Executive Summary for sign-off by the evaluation committee.

FAQ #2: How is a Vendor of Record (VOR) or Preferred Supplier established?

Answer: There are [Preferred Supplier](#) relationships already established through the Ontario Education Collaborative Marketplace (OECM) and Ontario Ministry of Government Services (MGS). Also, Suppliers who meet the qualifications in a RFP or RFSQ competitive bid process are deemed to be a "Vendor of Record" (**VOR**). The RFP and RFSQ competitive bid process is outlined in section 2D above.

Vendors of Record: following signing of a Master Services Agreement (MSA), Nipissing will issue a Statement of Work (SOW) for upcoming related projects to the pre-qualified VORs in accordance to Chart B below. This establishes individual project pricing, availability and capacity to complete the work on time, along with any additional instructions.

The SOW specifications and requirements are to be forwarded to Purchasing for projects expected to exceed \$25,000. If the spend is below \$25,000, the department may direct the SOW to one of the VOR's on the prequalified list.

FAQ #3: What is the process for obtaining supplier contract/agreement approvals?

Answer: Suppliers are required to sign Master Service Agreements (MSAs) before any goods or services can commence. The MSA is normally for a period of three (3) to five (5) years. Purchasing will assist in the preparation of the contract, agreement or memorandum of understanding with your input.

CHART B VENDOR OF RECORD

The following table outlines the number of recommended VORs to be invited to submit quotes during the second stage selection process based on the individual project value. However, in an emergency situation any of the VORs may be contacted directly to address and remedy the emergency.

Total Cumulative Value of Project:	Number of VORs to Direct SOW to:
<\$25,000	One or more VORs may be selected to bid
>\$25,000 but <\$100,000	Minimum of three or more VORs must be included
>\$100,000 but not to exceed \$5,000,000	All VORs on the list must be included

3. Non-Competitive Procurement Approval

(Including exemptions and exceptions):

Exceptions:

There are exceptions that allow the competitive bid process to be waived (per the Agreement for Internal Trade (AIT) and the Broader Public Sector (BPS) guidelines).

Refer to the [Non-Competitive Procurement Approval \(Goods and Services\)](#) and the [Non-Competitive Procurement Approval \(Consulting Services\)](#) forms. Use this document if you wish to claim an exception, or are seeking a single/sole source exemption from the competitive bid process (**see definitions section 4**).

NOTE: It is **strongly** recommended that sufficient planning and timing be allowed for the competitive bid process to be implemented. **Poor planning is not sufficient reason to waive the process and proceed with single sourcing.**

A Special Note About Consulting Services and Non-Competitive Procurement Approval

If the contract is for consulting services, a competitive bid is mandatory, regardless of the dollar value of the spend. Waiving the competitive bid process for consulting services requires approval from the President (for purchases up to \$999,999), and by the Board of Governors if greater than this amount.

Prior to engaging the supplier, provide the completed Non-Competitive Approval document to Purchasing. Purchasing will assist in obtaining the appropriate approvals.

Exemption Examples:

There are exemptions and exclusions to the Purchasing Policy where a competitive bid is not required. A few examples are:

- personnel (benefits, wage and salary administration)
- goods purchased for resale
- utilities (electricity, gas, water, etc.)
- insurance

- investment services
- library collections materials
- travel and business meal expenses
- emergencies

4. DEFINITIONS AND INFORMATION

Approver – The individual who has the authorized approval authority to approve a purchase or payment for the total spend amount (normally one level up). Refer to the *Execution of Contracts and Documents / Approval Authority Schedule* and/or applicable Policy.

Bid - A supplier submission in response to Nipissing posting a competitive bid request (RFx).

Competitive Bid or Competitive Bidding – The purchasing process by which potential suppliers are invited to bid on the supply of goods and/or services.

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

Helpful Tip: Generally, these are companies, organizations or individuals providing 'strategic advice' or expertise. Their advice often results in a report with recommendations presented for consideration and decision-making. Sometimes we consider these types of advisors as "thinkers". These can include such services as business management planning, information technology (IT) and research and development consulting services, among others. Contact your Departmental Service advisor for help determining if you are contracting a Consultant or a Professional Services provider, as different purchasing processes apply.

Customs Brokerage – Any goods entering Canada are required to have the proper documentation provided with the goods and instructions for distribution in accordance with the Purchase Order or Contract issued.

Debriefs – Within the RFx templates listed above, there are provisions that allow any supplier, upon receipt of notification of Nipissing's award for a project (successful or unsuccessful) to request a debrief within sixty (60) days of the notice being posted by Purchasing. Any supplier request for a debrief should be directed to Purchasing; your department has the option to participate.

Electronic Funds Transfer (EFT) – Payment may be deposited in the bank account directly, without issuing a cheque or other forms of payment. This is available to employees for reimbursement of eligible expenses AND to suppliers for goods delivered or services completed to the satisfaction of the client.

Emergency Purchase - A circumstance in which an immediate purchase or purchasing decision is necessary to prevent a serious delay, which could result in a threat to human life, serious damage to property, or suspension of the provision of an essential service.

Purchase the needed goods or services required to relieve the problem and seek the required approvals as soon as possible. Prepare a purchase requisition and **note "emergency purchase required"**.

Non-Competitive Procurement Approval – A Purchasing Services template required when electing to not follow the competitive bid process as otherwise required by Nipissing policy.

Professional Services (non-consulting): Those services provided by individuals or firms possessing the necessary professional licenses, certifications or training to undertake work within their specialization to contribute to the normal operation (in their regulated capacity) or contribution to defined and approved projects. Some examples include licensed professionals such as Chartered Professional Accountants, Professional Engineers, Medical Doctors, Lawyers, Architects as well as particular specializations from IT professionals, etc.

Helpful Tip: Most of the time, you are probably hiring professional services. These are the organizations or individuals who are "do-ers" (vs. consultants, which might be considered "thinkers"). Professional Service providers tend to have a hands-on role, actively creating, executing, or handling the work. Contact your Departmental Service advisor for help determining if you are contracting a Professional Services provider or Consultant (consulting service provider), as different purchasing processes apply.

Purchase Order – A legal contract; a document generated by Purchasing Services from the client-approved purchase requisition.

Purchase Requisition – An order for goods or services created by the client.

Qualified Supplier - A supplier who is capable of meeting the specifications and requirements of a competitive bid.

Request for Quotation (RFQ) – An invitation to potential suppliers to demonstrate that they are willing and able to meet the specifications and requirements to provide the requested goods or services. RFQs are not required to be posted on MERX for spends under \$100,000 (cumulative dollar value), when the specifications of a product or service are known and price is the main or only factor in selecting the successful bidder.

Request for Proposal (RFP) – An invitation to potential suppliers to demonstrate that they are willing and able to meet the specifications and requirements to provide the requested goods or services. RFPs are generally required for large, complex projects estimated to have a total cumulative spend over \$100,000. The RFP is posted on MERX to enable suppliers to view and respond with a proposal for pricing, specifications, requirements and company/staffing information, etc.

Request for Supplier Qualification (RFSQ) – A request for qualified supplier(s) to respond to a bid posted on MERX for specific goods and/or services, as the first stage in establishing a list of vendors of record (VORs) for subsequent project work.

Scoring Criteria –The attributes that apply to a specific competitive bid, e.g. price, quality, specification compliance, terms, conditions, experience and reputation. These are used to evaluate bid submissions and select the goods or service provider.

Sole Supplier: There may be circumstances in which there is clearly only one supplier who can provide the goods and/or service. (Eg.:Oracle hardware and support.) You should obtain supporting documentation from the supplier that demonstrates that no other source is available. Complete the Non-Competitive Procurement Approval document, and once you have it approved, forward it to Purchasing with your approved purchase requisition.

Single Source: To 'single source' is to waive the competitive bid process entirely and directly select a supplier, even if there are other suppliers capable of fulfilling the requested order for goods or services.

Single sourcing requires a Non-Competitive Procurement Approval document signed by the Department Head and clearly indicating the reason for waiving the competitive bid process. There are very limited situations where this exemption is available.

Statement of Work (SOW) -- A formal document that captures and defines the work activities, deliverables and timeline for a pre-qualified supplier or Vendor or Record, determined through a completed RFSQ. The SOW includes detailed requirements and pricing.

Terms of Payment – Period of time available for payment without interest or penalty. Nipissing's terms of payment for all supplier invoices are Net 30 days from the receipt of the invoice. Any supplier requiring different terms must be approved by the Director of Finance.

5. FOR MORE INFORMATION

For personal assistance regarding the above procedures, contact the Senior Buyer, x4096.

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