A. Procedure Purpose

This procedure has been developed to provide clear and consistent guidelines to all Niagara College employees which ensure that goods and services are acquired through a process that is open, fair and transparent that provide the best available price, quality and value to college staff and students.

A.1 Broader Public Sector (BPS) Supply Chain Code of Ethics

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 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 engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

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 public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

III. Compliance and Continuous Improvement

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

IV. Segregation of Duties

To maintain effective internal controls, Niagara College shall maintain a segregation of duties across the various procurement functions. No one person will be permitted to control an entire purchasing transaction, which in this context, includes the issuance of the procurement documents, the selection of the winning bid, finalization of the contract, receipt of goods or services and payment.
## Procedure Title: Procurement Procedure

### B. Definitions

**Competitive Procurement**  
A set of procedures for developing procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.

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

**Contract**  
Any formal legal agreement for supplies, goods, services, equipment or construction.

**Department**  
Financial Services.

**Goods and Services**  
Goods include all supplies, materials, or equipment and Services means those services supplied to Niagara College that include a labour component.

**Low value**  
Purchases of goods or services with a cost below $5,000.

**Lowest Ultimate Cost**  
Is the cost, after all factors of price, quality, terms and conditions, service, warranty, residual costs, replacement and disposal costs are considered, that results in the lowest cost of purchase, ownership, or operation over the life of the product or service to Niagara College.

**Niagara College**  
Niagara College of Applied Arts and Technology.

**Procedure**  
Internal instructions or guidelines to departments issued by the Purchasing Department pertaining to procurement matters.

**Proposal**  
An offer to perform or provide a function, service, or product that cannot be fully defined or specified.

**Purchasing Department**  
Provides the function of procurement and other services and falls under the direction of the Director of Financial Services.
<table>
<thead>
<tr>
<th>Procedure Title</th>
<th>Procurement Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quotation</td>
<td>A written offer to sell or a &quot;bid&quot; obtained from selected sources of supply, to supply stipulated goods or services at a particular price which is received by Niagara College on a formal Niagara College Request for Quotation form or on a vendor’s quotation form.</td>
</tr>
<tr>
<td>Requisition</td>
<td>An electronic request to purchase goods or services on an approved form.</td>
</tr>
<tr>
<td>Purchasing Department</td>
<td>Any Niagara College staff member who is authorized by the Director of Financial Services to obtain goods and services in agreement with this Procedure.</td>
</tr>
<tr>
<td>Staff</td>
<td></td>
</tr>
<tr>
<td>Tender</td>
<td>A written formal offer submitted on a formal Niagara College Tender Form by any company or member of the public, in response to an invitation to supply stipulated goods or services at a particular price.</td>
</tr>
<tr>
<td>Suppliers/Vendors</td>
<td>Individuals or organizations that offer their goods or services to the College. They may solicit the College or participate in procurements processes in an attempt to receive an agreement or contract to provide their goods or services.</td>
</tr>
<tr>
<td>Total Procurement Value</td>
<td>The value of all purchases made for similar items from the same supplier/vendor including sales taxes, duties, etc. Departments must not reduce the overall value of procurement (e.g., dividing a single procurement or the procurement value into multiple procurements) in order to circumvent the approval requirements of the organizational AAS or the Procurement AAS for Consulting Services.</td>
</tr>
</tbody>
</table>
C. Procedure Statements

1. AUTHORITY AND RESPONSIBILITIES

1.1 Authorization: The Procurement and Payment Process

1.1.1 Budget Process

The beginning of the procurement and payment process starts with the establishment and approval of all applicable budgets for Niagara College. Upon approval of these budgets, departmental staff have the authority to request the acquisition of defined goods and services by means of an authorized electronic purchase requisition (RQS) which is sent to the Purchasing Department for processing or by the procurement card method.

1.1.2 Adherence to Established Procedures

The Purchasing Department Staff are to adhere to all established Niagara College Policies and Procedures pertaining to the acquisition of goods and services in the processing of all purchase requisitions. The Purchasing Procedure includes but is not limited to the obtaining of competitive bids by means of open and selective (invited) tenders, quotations, requests for proposals, requests for information, expressions and letters of interest and by negotiation for all acquired goods and services.

1.1.3 Acquisition Process

Upon the receipt of a properly authorized purchase requisition, and depending upon the dollar amount (please refer to Section 5 Limitations) the Purchasing Department staff are to seek competitive bids by means of a tender, formal quotation, written bids by suppliers, telephone solicited bids, negotiation or by other means as described in this Procedure. Upon receipt of a firm and legal price offer by the above mentioned process, the Purchasing Department staff will submit such price offers to the department requesting the goods or service and upon acceptance a Requisition (RQS) is to be entered by the requesting department and forwarded to Purchasing for the processing of a Purchase Order.
Procedure Title: Procurement Procedure

1.1.4 Acquisition of Capital Goods & Services (greater than $5,000 in value)

Capital requests for goods and services are identified each year as part of the budget process. Each department’s budget submission will list and describe each capital good or service with a detailed explanation for the requirement. A finalized capital approved list will be forwarded to the Purchasing Department for retention.

1.1.6 Invoice Review

Invoices are to be processed according to the Accounts Payable procedures established by Financial Services.

1.2 Authority of the Purchasing Department

1.2.1 The Purchasing Department staff is responsible for the acquisition of goods and services including construction projects on behalf of Niagara College.

1.2.2 Niagara College staff are authorized and required to obtain a minimum of one written quote for goods, equipment or non-consulting services with a total procurement value limit of up to $10,000. The Purchasing Department will recommend the procurement process for all goods and non-consulting services above $10,000.

1.2.3 Following a review of price quotations, either received by Niagara College staff for low value goods or services or by means of a formal bid process as outlined in this Procedure and upon receipt of an authorized purchase requisition, the Purchasing Department shall issue a purchase order to obtain the goods or services.

1.2.4 The Purchasing Department shall monitor adherence to the regulations of the Procurement Policy and Procedures. Violations of the Policies and Procedures shall be reported to the Director of Financial Services to be dealt with accordingly.

1.2.5 Service Provider Performance standards, quality of work, and objectives shall be monitored by the assigned contract administrator or responsible department at Niagara College.
Supplier/vendor performance must be managed and documented, and any performance issues must be addressed. Performance concerns or disputes with suppliers/vendor shall follow the dispute resolution process in the contract or agreement.

1.2.6 The Purchasing Department shall assist College Departments during the implementation or delivery of the acquired goods and services. The objective is to ensure the College and the Supplier fulfill their obligations of agreement or purchase order.

1.2.7 All inquiries regarding materials, prices, services, delivery, terms and conditions, adjustments, and so on, are to be conducted by or through the Purchasing Department.

1.2.8 The Purchasing Department may participate with other governments or government agencies in co-operative purchasing plans and tendering when the best interests of Niagara College would be served.

1.2.8.1 Any purchase order, contract or any other award resulting from the co-operative tendering process, shall be subject to all the conditions and limitations of the College’s Policies and Procedures.

1.2.8.2 Upon approval and acceptance of any co-operative tender by the above mentioned process, Niagara College will be responsible to place its own orders, receive its own shipment and pay its own accounts.

1.2.9 The Purchasing Department shall keep informed of current developments in the purchasing and materials management fields, including market conditions, product developments and secure, for the benefit of Niagara College, research results in these fields by other governmental jurisdictions or other suitable means including co-operation with other municipalities and participation in professional association activities in these fields.

1.2.10 The Purchasing Department shall review the Procurement Policy and Procedures on a regular basis not exceeding five years between reviews.
2. PAYMENT

2.1 Financial Services, shall honour and through established accounts payable procedures, make payment for all goods or services covered by purchase order or form thereof signed by the Purchasing Department.

Such payment for goods and services shall be in accordance with the terms of payment shown on the invoice, provided that:

2.1.1 The terms of payment on the invoice agree with those on the purchase order.

2.1.2 The price(s) agree with those on the purchase order.

2.1.3 A delivery receipt form or packing slip is received against the purchase order that corresponds to the goods invoiced.

2.1.4 The delivery receipt forms or packing slips are signed by an authorized Niagara College staff member.

2.1.5 The invoice is signed off by the appropriate College staff, certifying that services were performed and accepted, acknowledging that there are no outstanding deficiencies with the service provided.

2.2 All invoices are to be sent to the Accounts Payable Department of Financial Services for processing, verification and for payment according to established accounts payable procedures.

2.3 No prepayment of all or part of any goods, services, equipment, or contract shall be made unless provision for same is included in the original purchase order, tender, quotation or request for proposal or agreed to per the negotiation process.

2.4 Payment of invoices for goods and services obtained by a procurement card transaction shall be paid within a stipulated time period. The process of the use of such purchase card shall be governed by the Procurement Card Practice and Procedures, Attached as Appendix A to this Procedure.
3. LIMITATIONS

3.1 Competitive Bidding

All purchases of goods or services or construction projects shall be made on a competitive basis in keeping with accepted public procurement and procedures and in accordance with the applicable laws of the Province of Ontario, Government of Canada and any regulations and Agreements made pursuant to this Procedure.

3.2 Specifications

Specifications shall not be designed or written to allow only one manufacturer, supplier, distributor, or bidder to tender a bid. Such specifications shall not limit the bidding to only one make and model for equipment or one type of service (Section 6.3.3).

3.3 When a Competitive Bidding process is not possible an Exception Certification must be completed, examples include Single or Sole-sourced goods and services or for Emergency/Urgent purchase requirements. (See Section 20)

3.3.1 Emergency/Urgent Orders can be placed by authorized Niagara College staff at the request of a Vice-President, Director, or Manager for goods or non-consulting services needed to protect Niagara College property or for situations deemed to be a crisis event requiring immediate attention. Such orders shall be recorded on a purchase requisition and marked "confirmation" and authorized by the appropriate level within the Approval Authority Schedule and sent to the Purchasing Department by the next business day following placement of such emergency order. If time permits, the Purchasing Department shall be consulted to assist with such order. Goods and services identified in an appropriate budget or which were previously planned for acquisition are not deemed to be an emergency and are to be procured under all other provisions of this Procedure.

3.4 Approval Authority Schedule (AAS)

Prior to commencement, any procurement of competitive goods and non-consulting services must be approved by an appropriate authority in accordance with the Niagara College AAS.
The Niagara College Approval Authority levels are as follows:

**Goods and Non-Consulting Services**

<table>
<thead>
<tr>
<th>Procurement Value</th>
<th>Approval Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $5,000</td>
<td>Manager</td>
</tr>
<tr>
<td>$5,001 to $10,000</td>
<td>Associate Dean/Associate Director</td>
</tr>
<tr>
<td>$10,001 to $20,000</td>
<td>Dean/Director Associate Vice President</td>
</tr>
<tr>
<td>$20,001 to $50,000</td>
<td>Vice President of division</td>
</tr>
<tr>
<td>Above $50,001</td>
<td>Vice President of division and Vice President of Corporate Services required</td>
</tr>
</tbody>
</table>

*The AAS above is inclusive of competitive procurement of Consulting Services*

The following rules shall be complied with in respect to the AAS:

a) The Delegated Purchase Authority may approve any procurement amount below the delegated threshold in the AAS but never an amount above.

b) Procurement approvals can be delegated to a lower organizational level for a temporary period with authorization indicating what period the temporary delegation is for.

c) Niagara College shall not reduce the overall value of procurement (e.g. dividing a single procurement into multiple procurements) in order to circumvent or avoid competitive procurement thresholds.

Non-Competitive consulting services (exemption based only) requires the following Approval Authority:

**Non-Competitive* Consulting Services**

<table>
<thead>
<tr>
<th>Total Procurement Value</th>
<th>Means of Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 up to but not including $100,000</td>
<td>President</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>Board of Directors</td>
</tr>
</tbody>
</table>

*Exemption based only*
3.5 Low Value Purchases

The acquisition of low dollar value goods and services can be made or authorized by approved departmental management or anyone with a Procurement Card providing the total amount of such goods or services does not exceed $5,000 including all taxes and shipping costs per transaction. It is recommended that the Procurement card be utilized, if accepted by the vendor, for all purchases under $5,000.

3.6 Competitive Posting Thresholds for Goods, Non-Consulting Services and Construction

<table>
<thead>
<tr>
<th>Total Procurement Value</th>
<th>Means of Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 up to $5,000</td>
<td>Procurement Card</td>
</tr>
<tr>
<td>$5,001 up to $10,000</td>
<td>Purchase Order</td>
</tr>
<tr>
<td></td>
<td>Minimum 1 Quote</td>
</tr>
<tr>
<td>$10,001 up to but not including $100,000</td>
<td>Competitive Procurement process as recommended by the Purchasing Department</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>Open Competitive Process</td>
</tr>
</tbody>
</table>

*Prior to the commencement, any procurement must be approved by an appropriate authority in accordance with the Niagara College AAS (see 3.4)*

- For total procurement value up to $5,000, for a stipulated good or services; quotes are not required however they are recommended in order to obtain best pricing. If quotes are obtained, the requester or originating department must maintain documentation including the request for quotation document, quoted value(s), date and source.

- For total procurement value from $5,001 to $10,000, for stipulated goods or services at least one documented quote is required however three (3) quotations are recommended in order to obtain best pricing. Quote(s) obtained by Niagara College staff or by the Purchasing Department staff shall be in accordance with the Procurement Policy and Procedures. Quotes received by the requester (or originating department) or the Purchasing Department must be maintained indicating the request for quotation document, quoted value, date and source.
• For total procurement values above $10,000 up to but not including $100,000, a competitive procurement process is required. Only the Purchasing Department is authorized to recommend the procurement process. Niagara College staff shall complete a Procurement Request Form and submit it to the Purchasing Department.

• For total procurement values above $100,000, an open competitive procurement process is required. Only the Purchasing Department is authorized to carry-out the procurement process. Niagara College staff shall complete a Procurement Request Form and submit it to the Purchasing Department.

• To access Purchasing resources such as the Procurement Request Form, other purchasing and Financial Services forms and templates please refer to the following link: http://www.niagaracollege.ca/employees/financial-services/forms/

3.7 Competitive Posting Thresholds for Consulting Services

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

<table>
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<td>Open Competitive Process</td>
</tr>
</tbody>
</table>

*prior to the commencement, any procurement must be approved by an appropriate authority in accordance with the Niagara College AAS (see 3.4)

• For total procurement values of $0 up to but not including $100,000, a competitive procurement process is required. Only the Purchasing Department is authorized to recommend the procurement process.
• For total procurement values above $100,000, an open competitive procurement process is required. Only the Purchasing Department is authorized to carry-out the procurement process. Niagara College staff shall complete a Procurement Request Form and submit it to the Purchasing Department.

3.8 No Purchases for Personal Use

No purchase orders, requisitions, purchase card transactions or any other order, verbal or written shall be issued for personal items for employees of the Niagara College or the public.

3.9 Loaning of Niagara College Equipment or Assets

All requests for the loan of Niagara College equipment or assets shall be approved by the appropriate Director except for existing reciprocal arrangements including those with other educational institutions, municipal, provincial or federal government agencies.

3.10 Telecommunications, Software and Computer Equipment and Services

All requests and requisitions for telecommunications, software and computer products including hardware, equipment, software and all related services are to be reviewed by the Information Services Department prior to being processed for purchase by the Purchasing Department. Purchase of any product or service in this section shall not be processed by Niagara College’s procurement card unless first authorized by the Chief Technology Officer or delegated authority.

3.11 Purchase by Negotiation

The Purchasing Department shall negotiate with one or more suppliers for the purpose of obtaining goods and services in accordance with the conditions set out under this section. The normal requirement for issuing tenders, quotations or proposals shall be waived in these circumstances.
Procedure Title: Procurement Procedure

3.11.1 When due to market conditions and in the judgment of the Purchasing Department, goods or services are in short supply.

3.11.2 Where there is only one source of supply for the goods or services.

3.11.3 Where two or more identical lowest bids have been received, the Purchasing Department shall negotiate with the two lowest bidders to obtain goods and services which shall provide the best value and be in the best interest of Niagara College.

3.11.4 Where small dollar value purchases for goods and services are to be obtained by means of an open order from sole source vendors or suppliers or from retail or wholesale vendors where a quotation is impractical to issue.

3.11.5 Where identical bids have repeatedly been received and the same goods or services are again required.

3.11.6 Where the lowest bid meeting specifications is excessive in total cost and/or exceeds the estimated costs by at least 10%.

3.11.7 When all bids received fail to meet the specifications and/or tender terms and conditions and it is impractical to recall tenders or quotations.

3.12 Design and Development Services

Suppliers or potential suppliers shall not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from suppliers. Should such extraordinary services be required, the Purchasing Department will be advised by staff from the issuing department. There being no alternative but to request such services, the company providing same shall be compensated at a pre-determined fee as negotiated by the Purchasing Department. The resulting specifications shall become the property of Niagara College for use in obtaining competitive bids. Suppliers or potential suppliers who have developed specifications in this manner shall not be excluded from bidding for the said goods or services.
4. FORMS OF PURCHASE

Every purchase of goods or services shall be authorized by the appropriate form of purchase order, procurement card, contract, agreement or other document as specified in this Procedure.

Invoices received after goods/services received without following the proper Forms of Purchase (above) are considered “after the facts” (ATF) and a violation of the Purchasing Policy and Procedure. A written detailed description as to why the Procurement Procedure has been by-passed is required by the applicable department Manager/Director and must be sent to Financial Services.

4.1 Competitive Procurement Template/Tools

Request for Proposal (RFP) The purpose of an RFP is to request suppliers/vendors to provide solutions for the delivery of complex goods or services, or, where explicitly required, to provide alternative options or solutions for goods and services that cannot be clearly defined. This process uses multiple predetermined evaluation criteria, including price.

Request for Tender (RFT) The purpose of an RFT is to request suppliers to submit bids to provide goods or services based on stated delivery requirements, performance specifications, terms, and conditions. An RFT focuses the evaluation criteria predominantly on the price and delivery requirements.

Request for Quotation (RFQ) An RFQ is a document similar to an RFT. An RFQ is used to obtain quotes by describing exactly the goods and services to be provided; the proposal evaluation is based solely on price, e.g. obtain quotations for stipulated goods and services.

4.1.1 Requirements

In addition to the procurement instructions, award rules, scope of work requirements listed in the procurement documents the Purchasing Department must include any qualifications, experience and other requirements that suppliers/vendors must be aware of in advance of submitting a bid or proposal, e.g. Bid security, insurance.
Procedure Title: Procurement Procedure

i. Liability Insurance and WSIB Clearance Certificate
Suppliers/Contractors/sub-contractors/vendors that are to perform services on Niagara College premises must confirm that they have appropriate insurance coverage.

Supplier/vendors must submit the valid insurance documents either in advance with their quotes or proposal submissions or upon request from the College. Evidence of valid insurance shall occur prior to the commencement of the service and ongoing prior to issuing payment for services.

The documents are to remain valid for the duration of the service to be performed:

(a) Worker’s Compensation (WSIB) - Statutory
(b) Comprehensive General Liability- (including Contractual Liability), Bodily Injury (including limit for Bodily Injury and Property)
(c) Minimum of $5,000,000 - inclusive Non-Ownership Liability Damage
(d) Minimum of $5,000,000 - for Third Party Liability
(e) Minimum of $5,000,000 - Vehicle Liability

The College may request the minimum coverage to be $5,000,000 (or more) depending upon the value and impact of the services to be performed.

Purchasing Department, Financial Services, Occupational Health & Safety Department, and the Facilities Management Department, shall have access to the valid Liability Insurance and WSIB Clearance Certificates are on file.

The Contract Administrator for the required services shall ensure that valid Liability Insurance and WSIB Clearance Certificates are on file.

ii. Accessibility for Ontarians with Disabilities (AODA)
Niagara College is committed to providing equal treatment to people with disabilities with respect to the use and benefit of Niagara College services, programs, and goods in a manner that respects their dignity and that is equitable in relation to the broader public.
Procurement of Goods and Services and Self Service Kiosks
When procuring goods, services, self-service kiosks or facilities, agents of the College are expected to incorporate accessibility criteria and features into the selection process. The policies, practices and procedures shall be made available for suppliers/vendors in advance of submitting bids or proposals.

In addition, the College requires that for any Suppliers/vendors/contractors/service providers whose staff may interact with employees, students, or the public on behalf of the College, it is necessary that those individuals have received training in the Customer Service Standard prior to commencing their duties at, or on behalf of, the college.

iii. Sexual Assault and Violence
Service providers who perform services on Niagara College must comply with the College’s Sexual Assault and Sexual Violence Policies and the Ontario Human Rights Code. The policies, practices and procedures shall be made available for suppliers/vendors in advance of submitting bids or proposals.

4.2 Procurement Lead
A member of the Purchasing Department staff shall be assigned as a Procurement Lead on procurement processes conducted by the Purchasing Department. The Procurement Lead is authorized to conduct procurement processes including the function of obtaining quotes, conducting competitive procurement processes, develop and use procurement tools.

The Purchasing Lead shall assume the role of coordinating the process in acquisition of all goods and services etc. for the best available price, quality and value. The Purchasing Lead has the responsibility to act as advisor to user departments prior to the acquisition of goods and services in order to ensure that the best interest of the College can be attained. The individual assigned will ensure that a procurement process is conducted in an ethical, lawful, effective, and accountable manner. The Procurement Lead shall ensure the Procurement Policy and Procedures are followed.

The Procurement Lead, in addition to preparing the procurement documents, shall facilitate any bidder conferences, site visits, coordinate the receipt of bids (submissions) on the closing date, schedule the evaluation of submissions, and prepare evaluation summaries.
The requester (department requesting) who submits the Procurement Request Form shall work closely with the Procurement Lead in the competitive procurement process.

4.2.1 Responsibilities of the requester include:
- Complete and submit the Procurement Request Form to the Purchasing Department.
- Provide the requirements and/or specifications for the goods or services to be procured.
- In consultation with the Procurement Lead, the Requestor will provide input in the design of the competitive procurement document including the timelines required, development of the evaluation criteria, evaluation matrix, recommendations on members of the evaluation team and participate in bidder conferences or site visits as required.
- If applicable, make suggestions for potential suppliers/vendors.
- Approve the final procurement document prior to issuing/posting.
- Approve the outcome/results.
- Approve any subsequent agreement (requisition or purchase order) as per the AAS
- Contract administration/monitoring during the course of the agreement

4.3 Information Gathering – Request for Information

Formal information gathering is beneficial in situations where the good or service is not known, cannot be clearly defined, there may be multiple options available, there is no known solution or where the requester lacks information about the ability of the market to deliver these goods or services.

In order to plan a cost-effective and fair procurement process, the Purchasing Department staff and the requester may use the following means of formal information gathering:

4.3.1 Formal Information Gathering Tools:

i. Request for Information (RFI):
An RFI may include targeted questions about the required goods or services to gather information about leading practices, recommendations, expertise, risks and additional questions from proponents. An RFI can also include a general description of a problem or need with a request to provide advice or an alternative solution in cases where the request may be focused on an innovative technological solution
ii. Request for Expression of Interest (RFEI):
   An RFEI allows the College to gather information about supplier interest in an opportunity or information about supplier capabilities/qualifications. An RFEI may be used to clarify the ability of the supplier community to provide the necessary services or solutions.

4.3.2 Using the Information Collected to Develop Specifications for Goods and Services:

Scope of work, descriptions of services, or specifications of goods shall not be designed or written to allow only one manufacturer, supplier, distributor, or bidder to submit a bid. The requirements list in a procurement document shall not limit the bidding to only one make and model or vendor for goods or one provider for services. The RFI cannot be used to pre-qualify potential suppliers.

Suppliers/vendors shall not be requested to expend time, money or effort on design or developing specifications or otherwise help define a requirement beyond the normal level of service expected from suppliers/vendors. Should such extraordinary consulting services be required to develop the scope of work, the Purchasing Department will be advised by the requester (Niagara College staff).

Where a consultant is retained to develop competitive procurement documents, said Consultant shall not have the ability to fulfill the procurement need described in the procurement documents. The terms of agreement must preclude any consultant retained to develop the competitive procurement documents from participating in the competition.

5. PRE-QUALIFICATION

The purpose of conducting a pre-qualification process or for having a list of pre-qualified suppliers/vendors is to narrow the field of potential suppliers/vendors for an immediate goods or services need or identify qualified suppliers/vendors in advance of expected future competitions.

Niagara College, as a Publically Funded Organization (PFO) may participate with other PFOs or government agencies in co-operative purchasing plans and tendering when the best interests of Niagara College would be served. The College currently has access to, among others, the following Pre-qualified sources:

- Ontario Educational Cooperative Market
- Ontario Ministry of Government Services Vendor of Record (VOR)
- Niagara Peninsula Purchasing Committee
A Request for Supplier Qualifications or Pre-Qualification (RFSQ) may be used to pre-qualify suppliers who are interested in supplying goods or services to Niagara College during a specified time period in the future or for specific projects, e.g. construction. Planning a RFSQ must be done by Purchasing Department staff in accordance with the Procurement Policy and Procedures.

When using an existing pre-qualified supplier/vendor or VOR to purchase goods or services, the Niagara College staff must follow the Procurement Thresholds and Approval Authority Schedule.

6. **POSTING COMPETITIVE PROCUREMENT DOCUMENTS**

When sending invitations to participate in a procurement process, e.g. Request for Quotations, Request for Proposals, the Niagara College shall use accepted mediums to uphold the principles of fairness, openness, and transparency. This will encourage higher levels of supplier participation, such as:

- Niagara College Purchasing Department website,
- MERX, and
- Biddingo

If Niagara College staff is requesting quotes or if the Purchasing Department staff is conducting an Invitational Competitive Procurement process, including the use of a pre-qualified list of suppliers/vendors or VOR, procurement documents may be sent directly to potential suppliers/vendors.

7. **POSTING TIMELINES**

The Purchasing Department staff requires at least one week to prepare and issue a procurement document. All open competitive procurement processes above $100,000 must be openly posted for supplier/vendor consideration for a period of at least 15 calendar days unless exceptional time restraints require either an additional or a shorter time period.

Any changes to this posting timeline shall be recommended to the Purchasing Department by Niagara College staff, the requester or the requesting department.
Procedure Title: Procurement Procedure

Niagara College should give potential suppliers/vendors sufficient time to review the procurement documents, seek clarification, and prepare bids (proposals). The goal of publishing the competitive procurement documents is to receive the highest possible number of quality bids, thus achieving the optimum value for money.

Niagara College shall consider providing suppliers/vendors a minimum posting time of 30 calendar days for procurements of high complexity, risk and/or dollar value.

8. QUOTE, BID OR PROPOSAL RECEIPT

On the Closing Date of a procurement process the Niagara College Staff or Purchasing Department staff shall ensure that the submission rules provided in the procurement documents are carefully adhered to.

If require responses (quotes, bids, proposals) are to be submitted in a hard-copy format, the process for receiving opening bids submitted in a hard-copy format should be as follows:

1. Stamp each submission, as it arrives, with the date, time, supplier/vendor name and contact information;
2. Open the submissions only after the closing time specified in the competitive documents has lapsed;
3. Ensure there is at least one witness to view the openings; and
4. When opening the submissions, follow the process outlined in the competitive documents, e.g. compliance requirements, mandatory requirements, submission rules.

If submissions are received in soft copy (electronically by email), according to the submission rules provided in the procurement documents, the time the emailed submission is received in the email inbox of the Procurement Lead shall be used to determine compliance with the Closing Date and Time.

The Purchasing Department shall protect all submissions received from suppliers/vendors against unauthorized access. Submissions may contain commercially sensitive information about the supplier/vendor, their stakeholders, proprietary information, etc. Any additional copies of submissions, e.g. used by the evaluation team, shall be destroyed by shredding or other generally acceptable method to protect the suppliers/vendors confidential or sensitive information.
9. EVALUATION CRITERIA

Niagara College must use the evaluation criteria outlined in the competitive procurement documents when selecting the winning submission.

The Purchasing Department staff (Procurement Lead) in collaboration with the requester or the group or team of Niagara College staff selected as the evaluation team shall develop and include in the procurement documents the evaluation methodology. The evaluation team may utilize price, quality, quantity, transition costs, delivery, servicing, environmental considerations, the capacity of the supplier to meet requirements of procurement, experience, financial capacity of the supplier as well as any other factor directly related to the procurement as evaluation criteria.

The Procurement Lead in collaboration with the requester shall allocate the maximum justifiable weighting to the price/cost component of the evaluation criteria. In all cases when determining the technical/quality components (non-price/cost) weighting, the Niagara College staff shall ensure it is appropriate with the overall impact to Niagara College operations, e.g. impact to students, benefits to the requesting department, etc.

Procurement documents shall not instruct the suppliers/vendors to provide information that will not be evaluated as such information may affect the outcome of the evaluation process.

10. EVALUATION PROCESS

Competitive procurement documents shall disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving a tie score.

Evaluation Process shall include:
- Any mandatory requirements and how bidders may achieve a passing score, e.g. submission compliance
- All weights or scores for rated criteria, e.g. experience, references, demonstrations, interviews
- Price/cost evaluation methodology. If price is not the determining factor, the price/cost evaluation should take place after evaluation of the mandatory requirements and rated criteria for all bids, e.g. two envelope process.

Niagara College shall use the non-price/cost score to resolve a tie.
10.1 Evaluation Team

Competitive procurement process requires that an evaluation team responsible for reviewing and rating bids. Evaluation team shall meet the following:

- The Procurement Lead shall be responsible for the evaluation process and provide oversight;
- The requester shall recommend evaluation team members and their participation confirmed before the competitive documents have been posted;
- Evaluation team members should be included, where applicable, in the development of the specifications, evaluation criteria and weighting;
- May include subject-matter experts, financial services, and representatives of Niagara College with qualifications necessary for proper bid evaluation; and

The Procurement Lead shall provide guidance and training to the evaluation team prior to the reviewing any submissions received. Training shall ensure the members of the team are aware of their responsibilities in the competitive procurement process, sign a conflict of interest declaration and non-disclosure of confidential information agreement.

Evaluation Teams shall be composed by a minimum of three participants is to be formed prior to posting the RFP. The Team may consist of the requester, member(s) of requesting department, a consultant or expert with the subject, end user(s), and others as appropriate or recommended by the Procurement Lead.

10.2 Evaluation Matrix (Tools)

The Purchasing Lead in consultation with the Requester shall develop the areas of evaluation and the evaluation criteria. The evaluation criteria shall reflect the requirements listed in the procurement document.

All scores, notes, and verbal discussion shall be fair, factual, and defensible. Evaluation team members shall submit their completed score tools to the Procurement Lead according to the evaluation schedule and any instructions received. All completed score tools shall be filed/stored according to the records retention procedure.
11. WINNING SUBMISSION

The submission that meets all compliance (mandatory) requirements, achieves the highest score of the evaluation criteria and price evaluation shall be considered the winning bid.

If the competitive process includes a non-binding (negotiated) component. Negotiations shall be take place with the first ranked submission and follow sequentially until a winning bid is determined.

Once an agreement is executed all unsuccessful proponents shall be contacted.

12. NON-DISCRIMINATION

Niagara College shall not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

13. THE AGREEMENT FOLLOWING A COMPETITIVE PROCUREMENT PROCESS

Following a competitive procurement process and upon approval to award the requirements of the competitive procurement process, the Purchasing Department staff will prepare a Requisition (RQS) and forward it for approval by the requester. The RQS shall be approved by the requester’s department, according to the AAS, and returned to the Purchasing Department for the processing of a Purchase Order.

With competitive processes that include negotiations with ranked or shortlisted respondents that may result in the requirements or scope or work changing from the original requirements, a form of agreement or contract amendment may be required to formally capture the revised scope of work and other subsequent changes.

For construction tenders Niagara College may use the Canadian Construction Document Committee (CCDC) agreements.

Subsequent Purchase Orders shall be approved according to the AAS.

Agreements and contract documents must be signed by authorized Niagara College signatories, e.g. those staff authorized to bind the College.
13.1 Negotiations

Where applicable the Purchasing Department shall negotiate with one or more suppliers/vendors for the purpose of determining a winning submission or obtaining goods and services. In situations where technical expertise is required the Purchasing Department shall request a subject matter expert or consultant to participate in negotiations. Examples of when negotiating is considered appropriate and required include:

i) The approval of a non-competitive procurement process (received a signed Exception Certificate)

ii) Where negotiation has been listed as a method to resolve a tie in a competitive procurement process.

The methods of negotiation shall be consistent with the goals set out in Procurement Policy and Procedures. Negotiations shall be conducted in a professional manner that adequately represents the integrity and ethics of Niagara College.

14. TERMINATION OF AN AGREEMENT

All multi-year agreements or Purchase Orders that extend beyond a single purchase or transaction shall include language that allows Niagara College or the supplier/vendor to terminate the agreement.

The termination language must be fair to the supplier/vendor such that the clause allows for a remedy for poor or unsatisfactory performance, e.g. as defined in the scope or work, quality and value, or performance standards of the agreement upon being made aware.

If a recommendation for termination is received, the Purchasing Department must also receive evidence of poor performance and demonstrated attempts of unsatisfactory resolutions from the contract administrator/monitor.

Only the Purchasing Department can issue a letter of termination. A termination letter must be signed by an authorized Niagara College signatory(ies).
15. TERM OF THE AGREEMENT

Competitive procurement processes shall indicate the term of the agreement and any available extension period(s). If extension options are available, suppliers/vendors must be aware of the rules or conditions for when an extension will be considered. The initial term and all extension options shall be taken into consideration when determining the total procurement value.

To ensure a fair, transparent competitive procurement process and to obtain best value for goods and services, agreements with one particular supplier/vendor shall not exceed five (5) years including optional years. For example: Term of Contract is three years with two optional one year extensions, after the second optional one year extension has been completed the requirements of the agreement must be re-tendered.

Agreements greater than five years must be approved by the Director of Finance Service and the Vice President, Corporate Services. Consideration shall be made based on difficulty of transition, low risk of a longer term, greater benefits to the College, e.g. improved pricing, higher quality, etc., required due exclusivity or legislation.

Extension periods shall be awarded based upon the supplier/vendor's performance during the initial term of the agreement, ability to negotiate an acceptable price/cost, the ongoing need of the goods and services described in the scope of work, approval of the appropriate college contact, and approved by an appropriate authority in accordance with the AAS.

16. NOTIFICATION

16.1 Award Notice to Successful Respondent

Notice of Award will be communicated by email or letter, e.g. letter of intent. A Purchase Order or agreement document shall be completed upon acknowledgement of award by the supplier/vendor. The Purchase Order and Agreement is to reference the procurement process reference number, subject, their submission date, start and end dates, and any extension options.

16.2 Notice to Unsuccessful Respondent

Notice of an unsuccessful submission or bid will be communicated by email or letter. The letter shall indicate the outcome of the procurement process, e.g. a decision was made or the process was cancelled and thanking them for their efforts in the process.
16.3 Public Notification

Following the execution of a Purchase Order or Agreement the College will inform all suppliers/vendors that participated in the procurement process by email or by posting an award announcement in the same manner as the procurement documents.

When the total procurement value of a Purchase Order or Agreement is $100,000 or more the Procurement Lead will also post an award notice on the College website. The award notice shall list the name of the successful supplier, agreement start and end dates, and any extension options.

17. DEBRIEFING

When the total procurement value of a Purchase Order or Agreement is $100,000 or more the Procurement Lead must inform all unsuccessful suppliers about their entitlement to a debriefing, if not already communicated in the procurement documents.

Unsuccessful Suppliers have up to 72 calendar days following the date of the award notification to request a debriefing.

18. NON-COMPETITIVE PROCUREMENT

Where the total procurement value indicates a competitive procurement process (greater than $10,000), however it may be recognized that a special circumstance exists that may require a Niagara College staff to utilize a non-competitive procurement process.

Prior to the commencement, any non-competitive procurement of goods and services, e.g. single or sole sourcing, an Exception Certificate must be approved by an authority one level higher than the Niagara College AAS requirements for competitive procurement.

A competitive procurement process may be waived under the following circumstances

- an unforeseen urgency or emergency;
- only one supplier meets the requirements and/or the goods or services can only be supplied by a particular supplier and no alternative exists;
- to ensure compatibility with existing products such as software licenses, copyrights, patents and maintenance of such that must be completed by the manufacturer or its representative;
Procedure Title: Procurement Procedure

- for the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly;
- for work to be performed on or about a leased building or portions thereof that may be performed only by the leaser;
- for work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
- for a contract to be awarded to the winner of a design contest;
- for the procurement of a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
- for the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- for the procurement of original works of art;
- for the procurement of subscriptions to newspapers, magazines or other periodicals;
- for the procurement of real estate property;
- for goods or services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest; and
- where competitive procurement would interfere with the Niagara College ability to maintain security or order or to protect human, animal or plant life or health.

Niagara College staff must complete an Exception Certificate (Exception from Competitive Procurement Certificate). The documentation must include sound business rationale for not conducting a competitive procurement process while ensuring a benefit to Niagara College. The completed Exception Certificate shall be submitted to the Purchasing department for review. The Purchasing department will facilitate the approval of the Exception Certificate according to the Approval Authority Schedule.

19. RECORDS RETENTION

All final or approved procurement documents, approvals, correspondence, shall be converted to, if not already in, an electronic/soft copy format. If conversion to soft copy is not possible, one hard copy of the procurement documents, approvals, quotes received, and proposal submissions shall be filed and stored.
All procurement documentation including Procurement Request Forms, Confidentiality Oaths, Conflict of Interest Declarations, Purchase Orders, Contracts and Agreements are to be retained for seven (7) years. Contracts and Agreements the seven (7) years commences after the final expiry year.

A Procurement Checklist shall be used by the Purchasing Department staff to ensure the required documents have been considered and used in all competitive procurement processes conducted by the Purchasing Department.

20. CONFLICT OF INTEREST

Any College employee obtaining quotes, negotiating an agreement, or conducting business on behalf of the College for goods or services may not accept any gifts or other consideration of any value from any current or potential supplier/vendor.

Any College employee engaged in the purchase of goods that has assumed, or is about to assume, a financial or outside business relationship that may involve a conflict of interest, must immediately disclose this information to the Director of Financial Services.

A conflict of interest would exist if any of the following occur:

a) An employee or relative of an employee has an outside interest or personal relationship that he/she is using to bid on College contracts or tenders on the purchase of goods or services by the College. Related persons include: Person related by blood, marriage, adoption, and common-law spouses.

b) An employee who has direct or indirect relationships with an outside interest, where there may be an implied association that would unethically result in personal gain due to the employee’s influence.

c) An employee who knowingly uses the College’s association with a current supplier/vendor or potential supplier/vendor to receive personal financial gain.

d) An employee who discloses College operational procedures or any other proprietary information to unauthorized persons.
21. **BID DISPUTE RESOLUTION**

The Procurement Lead shall include bid dispute resolution procedures in procurement documents. The resolution procedures shall ensure that any dispute is handled in an ethical, fair, reasonable and timely fashion.

A Supplier/vendor with a bid dispute shall be instructed:

1. to state to the Procurement Lead identified in the procurement documents the nature of the dispute in writing giving full details and history of the events leading to the alleged dispute claim. The claim shall include:
   
   i. Specific identification of the provision and/or procurement procedure that is alleged to have been breached.
   
   ii. A specific description of each act alleged to have breached the procurement process.
   
   iii. A precise statement of the relevant facts.
   
   iv. An identification of the issues to be resolved.
   
   v. The supplier/vendor’s arguments and supporting documentation.
   
   vi. The supplier/vendor’s requested remedy.

2. upon receipt of the written dispute claim, the Procurement Lead shall request a meeting with all persons, stakeholders, etc named in the dispute in order to collect factual details of the dispute. The Procurement Lead’s supervisor and Director of Financial Services or designate shall be included in the meeting. Possible outcomes of the meeting include:

   a) Explore options for a mutually acceptable resolution to the issues through negotiation with disputing Supplier/vendor.
   
   b) If attempts to negotiation do not resolve the issues leading to the dispute, the College and the supplier/vendor may elect to hire a mediator to help resolve the issues, or;
   
   c) If mediation is not an option, or greater than 30 days from the date of the dispute have pasted without resolution, an Arbitrator mutually acceptable to both parties may be used to hear the dispute and make a decision to resolve the issues.
22. PURCHASING RESTRICTIONS

Public Accountability
Niagara College is largely funded by the Province of Ontario which are public funds and therefore subject to scrutiny and audit by the Province of Ontario. Public funds are therefore for the continuation of program operation of Niagara College.

INELIGIBLE EXPENSES

- Any expenditure related to consultant lobbyists
- Decorations for office, including Christmas decorations/ornaments (exception - public areas including Executive offices)
- Office décor such as pictures and plants (exception – public areas including Executive offices)
- Flowers for retirements, weddings, birthdays and celebrations (Human Resources provides flowers for funerals)
- Gifts for retirements, weddings, birthdays, employee recognition and celebrations of any kind. (exception – recognition related items provided through Human Resources and/or Centre for Professional and Organizational Development)
- Cake
- Cards, e.g. Retirement, Anniversary, Birthday
- Stationary items for personal use
- Golf tournaments – must be approved by External Relations
- Sponsorships – must be approved by External Relations
- Lunches, Dinners and Refreshments i.e.: Christmas lunches, staff lunches such as Faculty Meetings, staff meetings, meetings with staff from another department, celebrations and meetings with vendors. Reference the Travel & Expense Policy and Procedures as required.
- Non work related registrations and conferences
- Trips for students (approved management level required)
- Interview sessions. Lunch is to be provided if interviews occupy the entire day and should not exceed the established lunch meal rate
- Departmental Retreats. Must be approved by appropriate Vice-President and should not exceed the established meal rates
- Committee and Association lunches and dinners. Must be approved by appropriate management level and should not exceed the established meal rates

If an employee should purchase the above, without prior authorization from the appropriate management level, the funds must be reimbursed by personal cheque or Cash Register receipt.
Procedure Title:  Procurement Procedure

D. Relevant Documents and Forms

Relevant Documents
Broader Public Sector Procurement Directive
Niagara College Procurement Procedures
Travel and Meal Expense Procedures

Forms:
Request for Quotations Form (Goods and Services)
Procurement Request Form
Travel and Expense Report (CAD and USD)
Travel Authorization Form
APPENDIX “A”

PROCUREMENT CARD PRACTICE AND PROCEDURES

1.0 INTRODUCTION

1.1 Purpose and Scope

To outline the Practice and procedures for the use and control of the Niagara College Procurement card program and the use of procurement cards by those who have been issued a Niagara College procurement card.

1.2 Authorization and Benefits to Niagara College

Departmentally approved employees are authorized to use the procurement card to purchase goods and services in support of sound business practices. In addition, benefits will accrue in the Accounts Payable Section of Financial Services by reducing the number of invoices processed, resulting in fewer cheques being prepared, and in the Purchasing Department by reducing the number of purchase requisitions, resulting in fewer low dollar purchase orders and for user departments by providing a simplified process and an increased level of service.

1.3 Authority

This Practice authorizes directors to empower approved employees within their departments or areas of responsibility.

1.4 Forms and Manual

- Procurement Card Request
- Employee Agreement Form
- Cardholder Account Maintenance Form
- Cardholder Training Manual

Forms and templates may be accessed using the following link: http://www.niagaracollege.ca/employees/financial-services/forms/
Procedure Title: Procurement Procedure

1.5 Inquiries

1.5.1 Inquiries related to the accounting aspects of this Practice should be addressed to the Director of Financial Services.

1.5.2 Inquiries related to the purchasing aspects of this Practice should be addressed to the Purchasing Department.

2.0 PRACTICE

2.1 The Director of Financial Services or designate is responsible for the procurement card co-ordination function for Niagara College.

2.2 Each procurement card will have a unique number, and will be issued in the name of Niagara College and the name of the employee who has been authorized to use that card. The card is not transferable to any other employee, even if that other employee is also authorized to use a procurement card on behalf of Niagara College.

2.3 Directors are authorized by this Practice to have purchasing and approval signing authority for use of the procurement card for staff in their divisions.

2.4 The dollar limit for individual transactions is specified in Section 5.0 of this appendix.

2.5 The credit limit, which is the maximum amount chargeable to each procurement card, is restricted to the maximum dollar limit per month established by each director and approved by the Director of Financial Services per Section 5.0.

2.6 Procurement cards must not be used:

2.6.1 when the total purchase price exceeds the total dollar limits per transaction (including taxes and freight) per Section 5.0.

2.6.2 when the cost of the goods or services would be significantly increased as a result of using the card and an alternative method of payment is available (i.e., a discount is provided by the vendor as a result of not using the card).

2.6.3 for personal vehicles.
Procedure Title: Procurement Procedure

2.6.4 for purchases not allowed under College purchasing guidelines such as gifts, staff lunches, staff gifts.

2.6.5 to obtain cash advances

2.6.6 the following items:
- furniture
- software - with Information Services approval
- computers - with Information Services approval
- printers - with Information Services approval
- all items indicated in Section 24, Ineligible Expenditures

2.7 No cardholder may accept cash or a cheque from a vendor who is making a refund pertaining to a transaction previously charged to a procurement card account. A credit voucher must be issued by the vendor in all cases.

2.8 Every cardholder shall be informed in writing of their responsibilities and restrictions regarding the use of the procurement card and shall agree to them in writing (refer to 3.0). Card holders will be held liable for any misuse or willful disregard of Practices or operating procedures which result in a loss of money, fraud or collusion.

2.9 To avoid the payment of interest, payments to the Bank issuing the procurement card shall be made in compliance with banking arrangements.

2.10 The liability for authorized charges on the procurement cards rests with Niagara College, not the individual cardholder unless in violation of this practice at which point Niagara College may hold the cardholder liable.

2.11 The maximum Niagara College liability for unauthorized use of the card following loss or theft of the card shall be in compliance with banking arrangements. Unauthorized use means a use that did not benefit Niagara College and was made by someone other than the cardholder. Niagara College is not liable for any unauthorized use of the card which occurs after notification of loss, theft, or cancellation has been received by the issuing Bank. However, if the loss or theft of a card is not reported immediately, Niagara College may be liable for all unauthorized purchases charged to the account.

2.12 Fees, if any, for the use of the procurement card shall be in compliance with banking arrangements.
2.13 Purchases made by the procurement card outside Canada will be converted to Canadian funds at a rate established by the issuing Bank.

3.0 RESPONSIBILITIES

3.1 The cardholder is responsible for:

3.1.1 adhering to all conditions and restrictions imposed on the procurement card by Niagara College and issuing bank; including the non-transfer or loan of the card to another employee for any purpose whatsoever.

3.1.2 submitting the required forms to the Director of Financial Services. Please refer to Section 1.4.

3.1.3 ensuring that the procurement card, monthly statements and other documents bearing the card number are kept in a secure location with controlled access for reconciliation, account verification and audit purposes.

3.1.4 immediately notifying the issuing bank, the Director of Financial Services or designate and the Purchasing Department of any loss or theft of the card.

3.1.5 informing the Purchasing Department of cancellation, changes in business address or area of responsibility, and/or telephone number, through the Director.

3.1.6 returning the card to the Purchasing Department for cancellation, as appropriate, through the Director.

3.1.7 reconciling electronic monthly statement, obtaining approval and submitting prior to the 15th of each month with original detailed receipts attached to be submitted to the Accounts Payable Department of Financial Services.

3.1.9 resolving disputed charges with the vendor or bank as necessary. The assistance of the Purchasing Department or designate in resolving disputes shall only be requested on a last resort basis.

3.1.10 obtaining the required MSDS's for all WHMIS controlled products purchased with the procurement card and immediately forwards a copy to Health & Safety where all MSDS documents are maintained.
3.1.11 reporting all items purchased with the procurement card which form part of asset and/or equipment Inventory.

3.2 The Directors are responsible for:

3.2.1 assessing the need for procurement cards based on operational requirements.

3.2.2 identifying the employee(s) who will be authorized to make low-dollar-value purchases or payments of authorized goods and services through the use of a procurement card.

3.2.3 establishing the credit limits, transaction limit and monthly limit for each cardholder and as approved by the Director of Financial Services.

3.2.4 specifying the types of items to be purchased with the card, as need be.

3.2.5 preparing and submitting the appropriate bank forms and other pertinent information to the Purchasing Department for the issuance or cancellation of cards, increases or decreases to credit limits, change of address or change in department or area of responsibility.

3.2.6 ensuring that each cardholder is informed of their responsibilities regarding the use of the procurement card.

3.2.7 ensuring that the use of procurement cards conforms to all appropriate Niagara College Practices.

3.2.8 monitoring and controlling the utilization of procurement cards within their department.

3.2.9 reviewing and approving, on a monthly basis, the Procurement Card Registers for all purchases charged to the appropriate general ledger account. In the absence of the Director, this responsibility can be delegated to another employee by the Director.

3.3 The Director of Financial Services or designate is responsible for:

3.3.1 authorizing the issuance or withdrawal of procurement cards with the issuing bank.
3.3.2 processing bank forms with respect to changes of address and changes of department or area of responsibility, as requested by Directors.

3.3.3 compiling and reporting pertinent procurement card data to the Vice President of Corporate Services.

3.3.4 providing co-ordination with respect to monitoring the overall utilization of procurement cards within Niagara College

4.0 PROCEDURES

4.1 Requests for Procurement Cards

4.1.1 A Procurement Card Request form must be completed (refer to Section 1.4) and signed by each potential procurement card user, Director and by the Purchasing Department. Personal credit information is not required as the card will be issued to Niagara College.

4.1.2 The approved application form must be sent by the Director to Financial Services or designates for transmittal to the issuing bank.

4.1.3 Procurement cards are expected to be issued in compliance with banking arrangements. The cards will be sent directly to the Purchasing Department or designate for recording and review purposes prior to being issued to the cardholders.

4.2 Issuance of Procurement Cards

4.2.1 Upon receipt of the cards from the issuing bank, the Director of Financial Services or designate must review the listing of enclosed cards for accuracy. Any inaccuracies are to be reported immediately to the issuing bank.

4.2.2 The director or designate must inform the cardholder of the responsibilities and restrictions regarding the use of the procurement card and obtain a written Employee Agreement form from each cardholder before issuing the card.

4.2.3 The cardholder must sign the procurement card and store it in a secure place until used.
# Procurement Procedure

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<thead>
<tr>
<th>Procedure Title:</th>
<th>Procurement Procedure</th>
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<tbody>
<tr>
<td><strong>4.3</strong> Cancellation of Procurement Cards</td>
<td></td>
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<tr>
<td>The cardholder and director or designate must complete the Cardholder Account Maintenance Form. The card, which is to be cut in half and this form are to be sent to the Purchasing Department for cancellation when:</td>
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<tr>
<td>4.3.1 specifically requested to destroy the card by the Purchasing Department or the Director.</td>
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<td>4.3.2 upon transfer to another department or area of responsibility; or</td>
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<td>4.3.3 upon termination of employment with Niagara College.</td>
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<tr>
<td><strong>4.4</strong> Lost or Stolen Procurement Cards</td>
<td></td>
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<tr>
<td>4.4.1 The cardholder must immediately notify the issuing bank of any loss or theft of the card. Lost or stolen cards can be reported 24 hours a day.</td>
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<tr>
<td>Canada and USA 1-888-823-9657</td>
<td></td>
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<tr>
<td>Outside Canada and USA (collect) 1-416-750-6138</td>
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<tr>
<td>The cardholder must also advise the director or designate who shall confirm the loss or theft in writing by forwarding a change form to the Purchasing Department. If the card is stolen, the director or designate may request that the police be contacted for further action and follow-up.</td>
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<tr>
<td>4.4.2 If the lost or stolen card should eventually be recovered or found, it must be cut in half and returned to the Purchasing Department through the director or designate.</td>
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<td><strong>4.5</strong> Change of Department or Area of Responsibility</td>
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<tr>
<td>4.5.1 To change the department or area of responsibility status for a cardholder, the director or designate must complete a Cardholder Account Maintenance Form and forward it to the Purchasing Department.</td>
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<tr>
<td>4.5.2 All such changes are expected to be made within a time frame that is in compliance with banking arrangements.</td>
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<td>Procedure Title:</td>
<td>Procurement Procedure</td>
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<tr>
<td><strong>4.5.3</strong></td>
<td>The card will be cancelled or appropriate change made when the form is received by the issuing bank. If another card is required related to the cardholders new department or area of responsibility, Procurement Card Request form must be completed by the director or designate and sent to the Purchasing Department.</td>
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</tbody>
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**4.6** Modification of Credit Limit

**4.6.1** To modify a credit limit, the director must complete the Cardholder Account Maintenance form and forward it to the Purchasing Department.

**4.6.2** The change to the credit limit is expected to be made within a time frame that is in compliance with banking arrangements.

**4.7** Disputed Charges

**4.7.1** Items charged on monthly statements of accounts that do not accurately reflect the transactions made by the cardholder (i.e., bank errors such as wrong amount, incorrect account number, multiple postings of the same item, etc.) are considered to be disputed items.

**4.7.2** The cardholder must notify the Purchasing Department immediately by telephone when disputed items as stated under 4.7.1 are involved, as well as inform the director concerned. Disputed items reported by card holders will be credited on the individual statement in the following month (provided they are legitimate). The amount indicated on the statement is the amount which should be paid to the issuing bank.

**4.7.3** The cardholder shall provide information and assistance to the issuing bank to settle the disputed items, as required.

**4.7.4** If the disputed item is not a bank error (i.e., late delivery, defective goods, wrong price, quantity difference, returned goods, etc.), the matter must be settled directly with the vendor by the cardholder. Such matters must be drawn to the vendor's attention immediately so as to minimize the delay in obtaining a credit to the procurement card account. When the amount in dispute is of an insignificant dollar value, notices to vendors should be confirmed in writing even though settlement may be accomplished through telephone calls. Copies of the notices to vendors should be attached to the monthly Niagara College Procurement Register. Disputes with vendors are not considered to be disputed items.
4.8 Purchase of Goods and Services

4.8.1 All original records of purchases made with procurement cards will be kept in Financial Services for audit purposes and to facilitate reconciliation and account verification (i.e., Expense Report, sales slips, credit vouchers, notices to vendors etc.).

4.8.2 The appropriate sales tax exemption number/certificate must be provided to the vendor to ensure exemption from the provincial sales tax where applicable.

4.8.3 The appropriate Provincial Sales Tax and Goods and Services Tax are to be paid where applicable.

4.8.4 For over-the-counter transactions, the cardholder will certify that the goods have been received or the services have been rendered by signing the sales slip; when goods are shipped, the cardholder must ensure that the shipment matches the order or sales slip.

4.8.5 For telephone orders, the cardholder must request the vendor to submit a copy of the sales slip with the shipment.

4.9 Niagara College Procurement Card Register

4.9.1 Completion and Authorization of the Register.

4.9.1.1 Cardholders other than directors shall complete the Procurement Card Register and sign the register in the designated line. Directors shall also sign the register in the designated line prior to the register being forwarded to the Accounts Payable Department of Financial Services.

4.9.1.2 Cardholders who are Senior Managers (Directors and above).

Cardholders who are senior managers must complete the Procurement Card Register in the same manner as stipulated above and must obtain the signature of their immediate supervisor prior to the register being forwarded to the Accounts Payable Department of Financial Services.

4.9.2 Directors or designates shall ensure that a Procurement Card Register is maintained on a monthly basis. The Procurement Card Register shall be used to
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4.9.2.1 facilitate the reconciliation of each item purchased during the month through the use of a procurement card (i.e., telephone orders and over-the-counter transactions) with the monthly statement received from the issuing Bank;

4.9.2.2 expedite the coding of transactions (i.e., the description of the item and the chart field are included on the register for each item purchased);

4.9.2.3 make it easier for directors or designates to review and approve expenditures charged to their budget through the use of procurement cards;

4.9.2.4 expedite the payment process by including, by stapling to the Procurement Card Register, supporting documents which are to be sent to the Accounts Payable Department of Financial Services (i.e., the original copy of the Procurement Card Register including all original sales slips, credit notes, purchase orders or similar documentation, as applicable and the original monthly bank statement)

4.9.2.5 provide an appropriate monitoring tool for directors or designates with respect to expenditures incurred against approved budget accounts.

4.10 Payment of Monthly Statements

4.10.1 The master statement of account will be issued on the same day of each month by the issuing bank and will be sent directly to Financial Services.

4.10.2 An email message will be sent to each cardholder indicating that “your expense is ready for review”. Each cardholder has till the 15th of each month to complete their expense report. Failure to do the expense report could render your card a ‘0’ balance.

4.11 Refunds from Vendors

When merchandise is returned or other adjustments to accounts are necessary, credit vouchers will be issued by vendors. Such credits must be issued against the same procurement card that the original transaction was charged against.
4.12 Payment and Calculation of Interest
4.12.1 In accordance with any terms of the agreement between the issuing bank and Niagara College, the payment of interest to the issuing bank of is based on a defined payment period. Where Niagara College is responsible for any delay, interest will be automatically calculated and paid on overdue accounts.

4.12.2 Where interest is payable, it will be calculated as follows:

From the date of the bank statement of account is received by Niagara College until the date the payment is received by the issuing bank and is a corporate charge;

4.12.3 The rate of interest payable will be negotiated between the issuing bank and Niagara College. Any changes to this rate of interest must be only upon thirty (30) days written notice from the issuing bank to Niagara College.

4.13 Card Renewal

Each procurement card is issued for a period of two (2) years starting with the month in which the card is issued. Cards will be automatically renewed unless the issuing bank is advised otherwise by Niagara College.

4.14 Management Reports

All requested management reports produced by the issuing Bank will be sent to Financial Services on a monthly basis for monitoring purposes.

5.0 SPENDING AUTHORITY LIMITS

5.1 Individual Transaction Limits

5.1.1 The spending limit for individual transactions is to be determined by the Director of Financial Services.

5.1.2 At no time for any purpose is the purchase card to be used to obtain goods and services that total over $5,000.00 for an individual transaction except for The Purchasing Department or designate for purposes of responding to a crisis or emergency situation. For
particular departmental circumstances, upon prior approval by the Director of Financial Services, the single transaction limit may exceed $5,000.00 to purchase goods and services from a particular supplier that does not accept a Purchase Order and that is utilized on a frequent basis. All other transactions must remain at the $5,000.00 amount.

5.1.3 Cardholders are not to make repeat transactions (splitting of transaction) to cover a single purchase in order to remain below the transaction limit stated above.

5.2 Total Monthly Transaction Limits

5.2.1 The total spending limits for each cardholder on a monthly basis is to be determined by the Director of Financial Services.

5.2.2 Most cardholders shall have a total monthly transaction limit of $20,000.00 Employees that require a higher total monthly transaction limit shall require the approval of the Director and the Director of Financial Services. Requests for increased total monthly transaction limits for a Director shall require the approval of the Vice President.

6.0 AUDIT OF PURCHASE CARD TRANSACTIONS

The Director of Financial Services or designate shall conduct an audit of all procurement card transactions on a timely basis to ensure cardholders are in compliance with the Procurement Card Practice. As a result of this audit the Director of Financial Services or designate may contact cardholders for the purposes of clarifying any transaction. Cardholders who make purchase card transactions that are not in compliance with this Practice shall be subject to having their purchase card privilege removed.