

## C3001 - PROCUREMENT

### PROCUREMENT PROCEDURES

#### 1. Context

The purpose of these procedures is to provide direction for managing and controlling procurement activities for Langara College. They apply to all goods and services or construction procured for the College.

#### 2. Procurement principles

Procurement activities will follow these principles:

- 2.1. Fairness: Suppliers will be treated fairly and have equal access to procurement activities.
- 2.2. Probity: All procurement activities will be carried out with integrity, impartiality and in accordance with the College's Ethical Conduct Policy B3003.
- 2.3. Compliance: All procurement activities will comply with applicable laws, regulations, and trade agreements and will be conducted with due regard for confidentiality and privacy of information.
- 2.4. Competition: All procurement activities will be subject to a competitive bidding process that is reasonable, practical, appropriate to the value, complexity and nature of the procurement.
- 2.5. Transparency: Suppliers will have appropriate access to clear information on procurement opportunities and processes.
- 2.6. Value for money: Procurement decisions will consider and balance elements such as cost, quality, reliability, continuity, and strategic procurement objectives.
- 2.7. Accountability and Authorization: Procurement processes are clearly documented, decisions are approved in accordance with their value, and accountability for such decisions is clearly established.

#### 3. Procurement activities

Procurement activities will include the following components:

- 3.1. Information gathering: Requirements for gathering and soliciting information from Suppliers that are appropriate to the monetary value, complexity, and profile of the goods or services being procured.
- 3.2. Budget Confirmation: Before a competitive bidding process is initiated, the appropriate Cost Center Manager is contacted, and budget is confirmed for the procurement activity.
- 3.3. Sole source: The establishment and application of appropriate conditions and requirements for contracts that are subject to a sole source situation.

- 3.4. Competition: Where the conditions for a single or sole source have not been met, a competitive bidding process is required to identify the appropriate Suppliers.
- 3.5. Selection and contract award: An objective process to ensure that the appropriate Supplier bids and quotations are evaluated in accordance with appropriate criteria to identify those providing the overall best value.
- 3.6. Complaints and disputes: Processes to resolve complaints or disputes arising from procurement activities.

**4. Procurement value thresholds**

- 4.1. All purchases for goods and services over \$75,000 or \$200,000 for construction (other than those excluded in “Exceptions”) must be planned for and identified to Procurement Services by the responsible Cost Center Manager in sufficient time to allow for the appropriate competitive bidding process to be completed.
- 4.2. The Procurement Services department, in consultation with the Cost Center Manager, will determine the appropriate competitive bidding process methodology.
- 4.3. Procurement values are in Canadian dollars and inclusive of all applicable taxes for the entire length of the contract, not including any optional renewals.
- 4.4. Necessary funds for the goods or services to be procured must be available in the College approved budget.
- 4.5. Procurement activities cannot be split or divided to avoid open competitive bidding processes.
- 4.6. Dollar thresholds for goods and services not related to construction:

<b>Procurement value</b>	<b>Requirement</b>
< \$5,000	P-card purchase or Purchase Order
> \$5,000 and < \$10,000	Up to 3 written quotes
> \$10,000 and < \$75,000	Minimum 3 written quotes
> \$75,000	Open competitive bidding process

- 4.7. Dollar thresholds for construction:

<b>Procurement value</b>	<b>Requirement</b>
< \$5,000	P-card purchase or Purchase Order
> \$5,000 and < \$10,000	Up to 3 written quotes
> \$10,000 and < \$200,000	Minimum 3 written quotes
> \$200,000	Open competitive bidding process

## 5. Exceptions

- 5.1. The following goods and services are exempt from the requirements listed above:
- i. Goods intended for resale to the public.
  - ii. Services provided by lawyers and notaries.
  - iii. Health and social services.
  - iv. Utilities (including water, electricity and gas).
  - v. Treasury services (including banking, payment processing, investment management services).
  - vi. Audit or tax professional services.
  - vii. Insurance coverage for College owned or leased vehicles.
  - viii. Rental or lease of real property.
  - ix. Business related travel expenses (including conferences or meetings).
  - x. Professional or institutional memberships.
  - xi. Services covered by the College's employment contracts.
  - xii. Services from artistic personnel (including those for Studio 58 and Theatre Arts).
  - xiii. Books or periodical subscriptions for Library Services.
- 5.2. Exceptions as provided in applicable trade agreements, including but not limited to the New West Partnership Trade Agreement (NwTA), Canadian Free Trade Agreement (CFTA), and the Canadian-European Union Comprehensive Economic Trade Agreement (CETA).

## 6. Sole Source

- 6.1. Sole source is where a contract is negotiated and executed with a Supplier without going through a competitive process.
- 6.2. Rationale for a sole source for purchases with a procurement value greater than \$10,000 must be documented and approved by the Cost Center Manager and Procurement Services.
- 6.3. Sole source may occur if any of the following situations apply:
- i. Where it can be demonstrated that only one Supplier is able to meet the requirements of a procurement.
  - ii. If it is follow-up work for continued development or enhancement of goods or services and it is likely that award to a source other than the current incumbent would result in substantial duplication of costs that would not be recovered or cause unacceptable delays in fulfilling program needs.
  - iii. If the Supplier is authorized by statute.
  - iv. If the Supplier has an international agreement to provide the goods or services.
  - v. If the Supplier is identified and acknowledged to be the leader in its field of expertise as demonstrated in reputable and valid literature, symposia and presentations. This is normally appropriate in subcontracting for research and development, but not for goods and services.
  - vi. Where an unforeseeable situation of urgency exists and the goods, services or construction could not be obtained in time by means of open procurement procedures.
  - vii. When the acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise confidentiality, cause economic disruption, or be contrary to the public interest.
  - viii. Where it is not reasonable or cost effective to undertake a competitive bidding process.

- ix. Where the goods or services are procured from or through a Public Partner Organization (through provincial or federal supply arrangements).
- 6.4. When a sole source with a procurement value greater than \$75,000 (goods and services) or \$200,000 (construction) is due to i. Supplier has a unique capability and no other Supplier can provide goods or services, the intention to award the sole source will be publicly advertised on the College's eProcurement site. If valid objections are received by other potential Suppliers, a competitive bidding process must be undertaken. Some valid objections may include:
- i. Potential Supplier is able to demonstrate they can provide the same goods or services, and is willing/able to absorb costs needed to ensure the College's deliverables and timelines can be met without any delays in work or additional costs to the College.
  - ii. Goods or services are not unique or particular to the Supplier named in the sole source.
  - iii. Goods or services are in ample supply and delivery will not constrain the College as indicated in the sole source.
  - iv. Potential Supplier is able to demonstrate that it is reasonable and cost effective for the College to undertake a competitive bidding process.
- 6.5. For sole source of a procurement value greater than \$50,000, additional approvals from Financial Services are required:

<b>Procurement value</b>	<b>Approval from</b>
< \$50,000	Manager, Procurement Services
> \$50,000 and < \$100,000	Associate Director, Finance and Procurement
> \$100,000 and < \$500,000	Director, Financial Services
> \$500,000	Vice-President, Administration and Finance

## 7. Other Resources

### **New West Partnership Trade Agreement (NWPTA)**

<http://www.newwestpartnershiptrade.ca/index.asp>

### **Canadian Free Trade Agreement (CFTA)**

<https://www.cfta-alec.ca/procurement/>

### **Canadian-European Union Comprehensive Economic Trade Agreement (CETA)**

<https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/index.aspx?lang=eng>