

## Purchasing

Policy No.:	2003
Category:	Finance and Supply Management
Approving Body:	Board of Governors
Executive Sponsor:	VP Administration & CFO
Current Approved Date:	2019 May 28

## Policy Statement

BCIT conducts its procurement operations in accordance with the following principles:

- Compliance with legislation and trade treaty obligations applicable to Canadian public post-secondary procurement;
- Open, fair and transparent processes that afford equal access to all qualified suppliers;
- Best value achieved through a full range of applicable procurement formats and decision-making criteria; and
- Adherence to the highest standard of ethical conduct.

## Purpose of Policy

The purpose of this policy is to detail the principles, procedures, roles, and responsibilities for BCIT's procurement operations.

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## Who This Policy Applies To

This policy applies to all BCIT officers, employees and members of the Board of Governors.

## Scope of Policy

This policy applies to procurement of required goods, equipment, services (expenditure/revenue) and construction, whether by purchase, rental, lease, commission or fee, with the exception of goods intended for resale to the public.

For greater certainty, this policy does not apply to the following expenditures or contracts:

- Contracts for the sale, purchase, lease or license of land and/or buildings
- Employee hiring/remuneration/benefits managed through Human Resources
- Purchases made for the supply of educational learning material, general merchandise and student supplies sold through the BCIT retail operations (Bookstore)

## Definitions

Reference the Procedure and Protocols Manual for definitions.

## Related Legislation and Policies

### Legislation

*College and Institute Act*

*Canadian Free Trade Agreement (CFTA - 2017)*

*Comprehensive Economic and Trade Agreement (CETA - 2016)*

*New West Partnership Agreement (NWPTA - 2015)*

*Freedom of Information and Protection of Privacy Act*

### BCIT

Policy 1010 Economic, Social and Environmental Sustainability

Policy 1500 Code of Conduct

Policy 1504 Standards of Conduct and Conflict of Interest

Policy 2501 Contracts

Policy 6701 Records Management

Policy 7540 Retailing of Course Materials

Policy 6700 Freedom of Information and Protection of Privacy

## Duties & Responsibilities

### Board of Governors

The Board of Governors delegates to BCIT's officers and employees the authority to incur expenditures within approved budgets through the procurement rules and processes set out in this policy.

### Officers and Employees

General roles and responsibilities delegated to BCIT's officers and employees are as follows:

#### Purchasing Department

##### Head of Purchasing Department

The Purchasing Department has the role of leading BCIT's procurement operations as follows:

- Ensure consistent application of this policy and the provision of procurement services in an efficient and diligent manner
- Develop strategic procurement strategies based on Institute requirements

- Provide appropriate orientation, training, and tools to employees involved in procurement activity
- Develop, implement and maintain detailed procedure and protocols pertaining to all procurement stages that comply with provincial, federal and trade treaty legislation

Procedure and Protocols are categorized as follows:

00. Procurement Procedure
01. Low Value Purchases Protocol
02. Non-Standard Procurements Protocol
03. Competitive Procurement Planning Protocol
04. Solicitation Document Format Selection Protocol
05. Document Drafting Protocol
06. Invitational Competition Protocol
07. Open Competition Protocol
08. Qualified Supplier Rosters Protocol
09. Enhanced Consensus Scoring Protocol
10. Negotiation Protocol
11. Bidder Debriefing Protocol
12. Procurement Protest Protocol
13. Supplier Suspension Protocol
14. Contract Management Protocol
15. Supplier Performance Evaluation Protocol
16. Supplier Code of Conduct

- Address issues or concerns that arise in relation to procurement processes and seek legal advice, as required

#### **Purchasing Staff**

Purchasing staff must comply with and clearly understand their obligations and responsibilities under this policy and Policy 2501, Contracts.

#### **Initiating Department or School**

##### **Head of the Initiating Department or School**

##### **Requisition/Contract Authority**

The issuance of a purchase requisition and/or the execution of an expenditure contract by the Head of the Initiating Department or School requires:

- Approved funding in an amount sufficient to cover the procurement value
- Procurement process conducted in accordance with this policy and all applicable procedure and protocols
- Contract approval per this Policy and Policy 2501, Contracts

#### **Competitive Process**

- Unless specifically permitted under the procurement procedures and protocols, an Initiating Department or School is not permitted to conduct a competitive process, procure deliverables or engage with potential suppliers without the involvement of the Purchasing Department.

#### **Risk Assessment**

- The Head of the Initiating Department or School is responsible to manage risks within the Institute's enterprise risk framework. Risk review and assessment will vary based on value and potential negative impact to the Institute.

**Contract Management**

- The Head of the Initiating Department or School is responsible and accountable for ongoing management of resulting contracts in accordance with the agreed terms. This includes ensuring participation and compliance with schedules, business plans, deliverables, key performance indicators, scope changes, option year extensions and ensuring invoices are accurate/approved within payment terms.

**Contract Performance Issues**

- When the Head of the Initiating Department or School is unable to resolve a contract issue, dispute or ongoing performance deficiency they will initiate a mitigation discussion with the Head of Purchasing – this may involve legal review
- The Vice President, Administration & CFO or Director, Corporate Services is required to approve requests for legal review

**Employees of the Initiating Department or School**

- Employees of the Initiating Department or School involved in purchasing activity must comply with and clearly understand their obligations and responsibilities under this policy and Policy 2501 Contracts

**Procurement Review Committee**

BCIT will create a Procurement Review Committee that will:

- Evaluate issues, rulings, legislation, policy questions and overall best practice in public sector procurement
- Make determinations under the Procurement Protest Protocol and the Supplier Suspension Protocol
- Be responsible for monitoring and reporting on compliance with this policy and associated procedure/protocols across the organization

Members will include the Vice President, Administration & CFO, Director of Corporate Services, Head of Purchasing, Director of Finance and a representative of the Internal Audit department.

**Ethical Conduct and Conflicts of Interest****Employee Conduct and Conflicts of Interest**

Employees and representatives (such as outside consultants or other service providers) involved in BCIT's procurement activities must act in a manner that is consistent with the principles and objectives of this policy. All individuals involved in BCIT's procurement activities must act in accordance with and declare any perceived, possible or actual conflict of interest, as defined in BCIT's Policy 1500 Code of Conduct and Policy 1504 Standards of Conduct and Conflict of Interest.

**Supplier Conduct and Conflicts of Interest**

Suppliers must act with integrity and conduct business in a manner consistent with the principles and objectives of this policy. All suppliers participating in a procurement process and/or providing deliverables to BCIT must declare any perceived, possible or actual conflict of interest. BCIT may refuse to do business with any supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest, or fails to perform duties/scope of work as defined under contract.

## Procurement Planning

### Competitive Process Planning

Procurement planning is essential for effective competitive processes that comply with legislation and trade treaty obligations applicable to Canadian public post-secondary procurement. Schools and Departments should consult with the Purchasing department as soon as an (approved budget) need for deliverables arises.

When a competitive process is required, the Initiating School or Department will need to allocate sufficient time and resources to fulfill their responsibilities in the procurement process, including:

- Developing and providing proper specifications and business requirements to Purchasing for inclusion in competitive bidding documentation
- Timely participation on selection committee during the evaluation process
- Timely participation with the proponent debriefing process

Situations of urgency resulting from the failure to properly plan for a procurement do not constitute an emergency as defined under government legislation (CFTA, NWPTA).

### Emergency Purchases

Notwithstanding any other provisions of this policy, where an emergency exists and prior approval of the Head of Purchasing cannot be obtained, the Head of the Initiating Department or School may authorize any officer or employee to acquire required deliverables in an expedited manner.

For the purposes of this policy, an emergency exists when an unforeseeable situation or event occurs that is a threat to any of the following:

- Public health and/or safety
- Maintenance of essential services
- Welfare of persons or security of public property
- Security of BCIT's interests

## Federal & Provincial Legislative Compliance (NWPTA, CETA, CFTA)

### Estimating Procurement Value

To ensure procurement processes are in accordance with this policy, an accurate total value estimate is necessary. The value of the procurement must be determined in accordance with all applicable procedures and protocols, based on the total value of the deliverables over the entire duration of the contract, including extension options. This value will inform the determination of the competitive procurement plan and appropriate risk assessments.

### Contract Splitting

Subdividing, splitting or otherwise structuring procurement requirements or contracts to reduce the value of the procurement or in any way circumvent the requirements or intent of this policy or applicable procedure and protocols is not permitted.

### Contract Extensions or Amendments

Contract extensions or amendments cannot continue a contract beyond the terms defined in the original procurement process/contract, or be used to circumvent the requirements or intent of this policy or associated procedure and protocols.

## Managing Supplier Relationships

### Bidder Communications

During a competitive procurement process, the Purchasing Department is responsible for managing all communication with bidders or potential bidders, from bid release until final contract approval. The solicitation document will specify a single point of contact. Any inquiries must be directed to the designated Purchasing Department contact person.

### Debriefings

Unsuccessful bidders may request a debriefing. Debriefings must be scheduled and conducted by the Purchasing Department and the appropriate Initiating Department or School representative in accordance with the debrief protocol.

### Procurement Protests

Bidders may formally protest the outcome of a procurement process. The supplier must request and receive a debriefing prior to submitting a formal protest. The Head of Purchasing evaluates all protests as per the procurement protest protocol.

### Suspension

Supplier suspension is contemplated when a supplier does not perform per specified contract terms as defined under the supplier suspension protocol. The Purchasing Review Committee will review and approve all supplier suspensions.

## Procurement Record Keeping

Purchasing staff will maintain procurement process and contract documentation within a digital folder and the central contract repository (hardcopies). The maintenance, release and management of all procurement and contract records must be in accordance with BCIT's Policy 6701 Records Management and applicable privacy legislation.

## Procedures Associated with this Policy

See the Duties and Responsibilities section for list of Procedure and Protocols.

## Forms Associated with this Policy

None

## Amendment History

- |    |            |             |
|----|------------|-------------|
| 1. | Created    | 1987 Oct 01 |
| 2. | Revision 1 | 1997 Dec 01 |
| 3. | Revision 2 | 2003 Jun 19 |
| 4. | Revision 3 | 2019 MMM DD |

## Scheduled Review Date

2023 MMM DD