

Purchasing Policy

University Policy No.: FM5105
Classification: Financial Management
Approving Authority: Board of Governors
Effective Date: August 2017
Supersedes: December 2016
Last Editorial Change:
Mandated Review: August 2024

Associated Procedures: [Purchasing Procedures](#)

PURPOSE

- 1.00 The purpose of this policy is to set out the responsibilities and accountability associated with the purchase of goods and services at the University of Victoria (“the university”).

DEFINITIONS

- 2.00 **“Affiliated Entities”** means corporations, societies, trusts and foundations affiliated with the university, that have agreed to operate under this policy.
- 3.00 **“Delegate”** means a unit, department or person that has been delegated responsibility for acquiring goods and services at the university.
- 4.00 **“Exempted Goods and Services”** are goods and services that are not subject to competitive public procurement practices due to trade agreement exemptions.
- 5.00 **“Purchase”** means the acquisition of goods and services in exchange for money or a contract assuring payment.
- 6.00 **“Restricted Goods and Services”** are certain goods and services that require additional technical approval or other review from a designated approving department to ensure they comply with internal university standards.

SCOPE

- 7.00 This policy applies to purchases, from all funding sources, conducted by all faculty and staff at the University of Victoria and Affiliated Entities.

POLICY

Guiding Principles

- 8.00 Procurement at the university is, first and foremost, in service of the public good. All acquisition of goods and services at the university will be conducted in accordance with the following principles. Procurement activities will:
- a. Be conducted in a fair, transparent, and equitable way, to ensure open competition and accountability.
 - b. Comply with all legal obligations, trade agreements, funding agency requirements, policies and regulations that apply to the university and/or its Affiliated Entities.
 - c. Provide responsible optimization of resources by obtaining the best value, using sustainable stewardship practices in concordance with life cycle assessments and triple bottom line considerations that recognize financial, social and environmental impacts of purchases.
 - d. Be carried out ethically, following established professional public procurement practices, and avoiding conflicts of interest.

Delegation

- 9.00 The Purchasing Services Department is delegated responsibility and authority for the purchase of goods and services for all university academic and administrative units and Affiliated Entities, except as exempted in this policy.
- 10.00 The Vice-President Finance and Operations may designate Restricted Goods and Services. The Vice-President Finance and Operations may delegate purchasing responsibilities to additional departments or units to manage procurement of Exempted Goods and Services or items assigned Excluded Ordering Responsibility. This delegation must be in writing.
- 11.00 Delegates are required to comply with all the principles stated in this policy.
- 12.00 Delegates are encouraged to engage the expertise and services of Purchasing Services, who are available to assist in sourcing requirements through established processes and methods
- 13.00 Purchasing Services may periodically review practices for Exempted Goods and Services, to evaluate whether compliance requirements are met, policy principles are followed, and procurement practices achieve best value for the university.

Responsibility

- 14.00 The Director of Purchasing Services is the Chief Procurement Officer, who shall administer the policy and establish and employ such practices, processes, procedures and methods as the director determines are appropriate to the effective operation of

procurement services, while complying with guiding principles appropriate to public procurement.

- 15.00 Purchasing Services will consult with departments and units on their needs and specifications, and facilitate the procurement of goods and services in support of client requirements and the university's strategic priorities.
- 16.00 All university faculty and staff are responsible for ensuring that their purchases comply with current legislation and statutory regulations, including, but not limited to, FIPPA privacy protection, CSA safety standards, WHMIS hazardous materials standards, intellectual property rules, customs duties, taxes, and applicable provincial and federal regulations. Purchasing Services is available to assist on any of these issues.
- 17.00 All university faculty and staff are responsible for ensuring that their purchases comply with internal university standards, where applicable.
- 18.00 Purchasing Services is responsible for the disposal of all surplus assets through re-allocation, direct sale, auction, trade, donation, recycling, or landfill disposal.
- 19.00 Purchasing Services may issue commercial cards or utilize other e-commerce purchase and payment mechanisms to facilitate acquisition of low value goods and services consistent with the [Signing Authority Policy \(FM5100\)](#).

Approvals

- 20.00 All university faculty and staff are responsible for ensuring that they execute purchase contracts, service agreements, and acquisition commitments only as is stipulated in the [Signing Authority Policy \(FM5100\)](#), and in compliance with external funding agency requirements.
- 21.00 Restricted Goods and Services require review for compliance with internal university standards, specifications, or other technical approval for use on campus. These Restricted Goods and Services are still subject to the competitive procurement process, and will require additional approval from the responsible department.

AUTHORITIES AND OFFICERS

- 22.00 The following is a list of authorities and officers for this policy:
 - a) Approving Authority: Board of Governors
 - b) Designated Executive Officer: Vice-President Finance and Operations
 - c) Procedural Authority: Vice-President Finance and Operations
 - d) Procedural Officer: Director, Purchasing Services

RELEVANT LEGISLATION

[Freedom of Information and Protection of Privacy Act, RSBC 1996 c 165](#)

RELATED POLICIES AND DOCUMENTS

[Art Collections \(BP3310\)](#)

[Bookstore Operation \(AD2500\)](#)
[Capital Expenditures on Physical Plant \(FM5205\)](#)
[Conflict of Interest and Confidentiality \(GV0210\)](#)
[Determination of Employment Relationship \(HR6325\)](#)
[Environmental Health and Safety Policy \(SS9200\)](#)
[External Research Funding Agreements RH8200](#)
[Faculty Association Collective Agreement](#)
[Fundraising and Gift Acceptance \(ER4105\)](#)
[Furnishings, Fittings and Finishes \(BP3130\)](#)
[Hospitality Expenditure Policy \(FM5600\)](#)
[Information Security \(IM7800\)](#)
[Institutional Acquisition and Standardization of Info Tech Devices \(AD2515\)](#)
[Liability Insurance \(FM5300\)](#)
[Protection of Privacy \(GV0235\)](#)
[Retention of External Auditors \(GV0230\)](#)
[Retention of External Legal Counsel \(AD2100\)](#)
[Records Management \(IM7700\)](#)
[Signing Authority Policy \(FM5100\)](#)
[Sustainability Policy \(GV0800\)](#)
[Travel and Business Expenses \(HR6500\)](#)
[University Signage \(BP3140\)](#)

[Supply Chain Management Association of Canada's Code of Ethics](#)

Purchasing Procedures

Procedural Authority: Vice President Finance & Operations

Procedural Officer: Director, Purchasing Services

Effective Date: August 2017

Supersedes: New

Last Editorial Change:

Parent Policy: [Purchasing Policy \(FM5105\)](#)

PURPOSE

- 1.00 To outline process and procedures associated with the procurement of goods and services.

DEFINITIONS

- 2.00 The definitions in the Purchasing Policy apply to these procedures as well. In addition:
- 3.00 **“Competition”** means a publicly advertised competitive process that allows for more than one potential supplier to offer goods or services.
- 4.00 **“Construction”** means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement (source: [NWPTA](#)).
- 5.00 **“Emergency”** means an unexpected or unforeseeable circumstance of high importance, that will negatively impact the health and/or safety of members of the university community, or result in catastrophic loss to the university, if not acted upon immediately. Failure to plan does not constitute an emergency.
- 6.00 **“Evaluator”** is a subject matter expert engaged for the evaluation of responses to public competitions.
- 7.00 **“Requestor”** means the person, unit, or department that has initiated the purchasing process by requesting a good/service. Often, this is the end user.

GENERAL GUIDELINES

- 8.00 The purchase of goods and services should be undertaken in a fair, open and competitive manner. The complexity of procurement methods is dependent on acquisition associated risks, costs, and triple bottom line impacts. The final determination of sourcing and procurement methods is at the discretion of Purchasing Services, or the Delegate, as indicated in the [Purchasing Policy FM5105](#).
- 9.00 The procurement process at the University of Victoria will be carried out with honesty, integrity, and professionalism, including the following:
- a. Avoidance of any apparent or perceived conflict of interest;
 - b. Protection of confidential or sensitive information, including compliance with the [Freedom of Information and Protection of Privacy Act](#), the [Protection of Privacy Policy \(GV0235\)](#), the Information Security Policy (IM7800), and the [Records Management Policy \(IM7700\)](#);
 - c. Gifts and gratuities of a substantial nature, that could be perceived as being given with the intent of influencing decision-making, must not be accepted from existing or potential suppliers;
 - d. Requestors and Evaluators must not make commitments or indications of preference to potential suppliers in the course of the procurement process;
 - e. Purchasing Officers will abide by the [Supply Chain Management Association of Canada's Code of Ethics](#);
 - f. Suppliers are expected to abide by the university Supplier Code of Conduct [TBD].

ORDER INITIATION

- 10.00 Requestors must obtain all necessary approvals, and follow all applicable procedures herein, before any service is rendered, or materials delivered.
- 11.00 A Requestor generally initiates a purchase by completing an approved purchase requisition, or otherwise contacting Purchasing Services or the delegated department.
- 12.00 Items assigned **Exclusive Ordering Responsibility** ([Appendix B](#)), and **Exempted Goods and Services** ([Appendix C](#)) must be requested through the designated unit, regardless of dollar amount.

THE SOURCING PROCESS

- 13.00 The sourcing method required for each purchase is at the discretion of Purchasing Services, or the Delegate. Sourcing methods will be determined in consultation with the Requestor and/or the Evaluator(s), in accordance with established public procurement practices and trade agreement requirements. The [Competitive Threshold Chart \(Chart 1\)](#)

below outlines appropriate business processes required when sourcing goods and services.

- 14.00 The procurement of **Exempted Goods and Services**, outlined in [Appendix C](#), is not required to follow the [Competitive Threshold Chart](#).

Chart 1 – Competitive Threshold Chart

Goods and Services

Transaction Amount	Competition Level:	Process
\$75,000 and over	<ul style="list-style-type: none"> Public Competition, or Direct Award* with Notice of Intent 	<ul style="list-style-type: none"> Webreq and PO, or Order under AGR
Under Competitive Threshold		
\$15,001 to \$74,999	<ul style="list-style-type: none"> <u>Optional</u> Public Competition, or Three written quotes, or Direct Award* 	<ul style="list-style-type: none"> Webreq and PO, or Order under AGR
\$5,001 to \$15,000	<ul style="list-style-type: none"> <u>Optional</u> Public Competition, or Direct Award – single written quote 	<ul style="list-style-type: none"> Webreq and PO, or Order under AGR
\$1 to \$5,000	<ul style="list-style-type: none"> With account-holder approval, may order directly from supplier and pay with C-card (unless item is blocked for purchase) 	<ul style="list-style-type: none"> Pay with C-card, or Direct-pay invoice, or Order under AGR

Construction**

Transaction Amount	Competition Level:	Process
\$100,000 and over	<ul style="list-style-type: none"> Public Competition, or Direct Award* with Notice of Intent 	<ul style="list-style-type: none"> Webreq and PO, or Order under AGR
Under Competitive Threshold		
\$15,001 to \$99,999	<ul style="list-style-type: none"> <u>Optional</u> Public Competition, or Three written quotes, or Direct Award* 	<ul style="list-style-type: none"> Webreq and PO, or Order under AGR
\$5,001 to \$15,000	<ul style="list-style-type: none"> <u>Optional</u> Public Competition, or Direct Award – single written quote 	<ul style="list-style-type: none"> Webreq and PO, or Order under AGR
\$1 to \$5,000	<ul style="list-style-type: none"> With account-holder approval, may order directly from supplier and pay with C-card (unless item is blocked for purchase) 	<ul style="list-style-type: none"> Pay with C-card, or Direct-pay invoice, or Order under AGR

*All Direct Awards \$15,001 and over require internal written justification.

**Construction must be procured through Facilities Management, regardless of dollar amount.

15.00 Competition Levels:

- a. **Public Competition:** A publicly advertised competitive process should be used for transactions identified in [Chart 1](#). Public advertisement must be done through public sector posting boards (such as BC Bid or Merx), and may include other advertising methods (in addition to, but not instead of, BC Bid). Sourcing mechanisms such as Request for Quotation (RFQ), Request for Tender (RFT), and Request for Proposal (RFP) may be used to fulfill the public competition requirement (RFx).
- b. **Individual Solicitation of Written Quotes:** For transactions below the thresholds identified in [Chart 1](#), opportunities may not need to be posted publicly. Rather, quotes will be sought directly from known or qualified suppliers.
- c. **Direct Award:** In accordance with [Chart 1](#), the university may engage a supplier directly without conducting a public competition under one of the following circumstances, at the discretion of Purchasing Services:
 - i. the total value of the acquisition is **below the applicable public competitive threshold** (\$75,000, or \$100,000 for construction);
 - ii. an **Emergency** exists and the requirement cannot be satisfied in time using a competitive sourcing mechanism (see [Signing Authority Policy](#) for Purchase of goods or services required in the case of urgent and unforeseeable Emergencies);
 - iii. the supplier is an **Exclusive Supplier** of the good or service, as described in [Section 22.00](#)
 - iv. other exceptions as allowed by applicable trade agreements; or
 - v. the university is reasonably certain that only one supplier is capable of meeting the requirements of the procurement,

In the case of a **Direct Award**, the Requestor is required to provide written justification by submitting the appropriate form (available on [Purchasing Services website](#)) with the purchase requisition.

In accordance with [Chart 1](#), a **Direct Award** may require the university to publicly post a **Notice of Intent (NOI)**. If additional potential suppliers are identified through the NOI process, an evaluation of the response(s) will be required.

- d. **No Order Splitting:** Multiple awards, procurements, or requisitions must not be intentionally issued in order to circumvent public competition requirements or avoid exceeding transaction threshold limits.

For the purposes of Section 15.00(d), the value of an order is the sum of anticipated payments over the term of a contract or [standing agreement](#).

EVALUATION AND AWARD

- 16.00 Evaluators must evaluate responses to an RFx fairly, objectively, consistently, and completely, in accordance with evaluation and conflict of interest guidelines.
- 17.00 Upon approval of an award recommendation, negotiations with the lead respondent may be conducted. Once a contract has been awarded and executed, unsuccessful respondents will be informed and offered a debriefing.
- 18.00 Upon successful award to a supplier, the Requestor must submit a purchase requisition in order to document approval(s), allowing Purchasing Services (or the Delegate) to commit the university to the purchase.
- 19.00 Upon receipt of a purchase requisition with all required approvals, Purchasing Services will either:
 - a. Issue an approved purchase order,
 - b. Purchase the item directly from the supplier with a commercial credit card,
 - c. Issue a [standing agreement](#) allowing for multiple purchases at the quoted price, or
 - d. Order under an existing [standing agreement](#).

CONTRACTS AND AGREEMENTS

Standing Agreements

- 20.00 Purchasing Services may enter into **standing agreements** (“**AGR**”s) on behalf of the university, or at the request of a department, for supply of goods and services over multiple years. These agreements should be reviewed by the Requestor at regular intervals, and may not exceed five years without review.
- 21.00 AGRs may result in the supplier status being one of:
 - a. **Preferred Supplier:** the university may negotiate non-exclusive supply agreements with a particular supplier. The university community is not required to use these suppliers exclusively.
 - b. **Exclusive Supplier:** the university may negotiate exclusive supply rights with a particular supplier. Orders for that particular type of product must be placed with the specified supplier for the term of the contract.

As an added value, Preferred or Exclusive Suppliers may offer employees approved discounts for items of personal use.

- 22.00 AGRs must be authorized, per the [Signing Authority Policy](#), for the total dollar value of the life of the contract term.

Other Agreements

- 23.00 In the case of the procurement of goods and services funded by external sources, funds must be managed in accordance with the terms of those agreements.
- 24.00 Leases must be approved by the Executive Director Financial Services, with exceptions requiring the approval of the Vice-President Finance and Operations.
- 25.00 All contracts for services must be approved in accordance with the Signing Authority Contract Review Procedures [appended to the [Signing Authority Policy](#)].

SPECIAL CONDITIONS AND APPROVALS

Restricted Goods and Services

- 26.00 The acquisition of **Restricted Goods and Services** described in [Appendix A](#) requires review for compliance with internal university specifications or other technical approval for use on campus.
- 27.00 These **Restricted Goods and Services** are still subject to the competitive procurement process as outlined in these Procedures, and will require **approval** from the responsible department.

Exclusive Ordering Responsibility for Goods and Services

- 28.00 Certain university departments have been granted **Exclusive Ordering Responsibility** for particular items, because of risks, compatibility, or other unique requirements. These items are outlined in [Appendix B](#).
- 29.00 These purchases are still subject to the competitive procurement process as outlined in these Procedures.
- 30.00 All requests for the purchase of items subject to Exclusive Ordering Responsibility must be made directly through the designated department.

Joint/Shared Procurement Initiatives

- 31.00 The university may choose to participate in joint public procurement initiatives in collaboration with other post-secondary institutions and public sector organizations, in order to achieve best value or to maximize buying power.

ORDER COMPLETION

- 32.00 Purchasing Services or delegated staff will issue a Purchase Order or an order under an existing AGR, to confirm the purchase with the supplier.
- 33.00 When goods must be imported, Purchasing Services or the Delegate will facilitate customs and brokerage documentation.

- 34.00 The Requestor is responsible for communicating with Purchasing Services and the supplier regarding any special shipment arrangements required.
- 35.00 The Requestor is responsible for reviewing, approving and submitting any invoices to Accounts Payable directly.

APPENDIX A: RESTRICTED GOODS AND SERVICES

Faculty and staff must ensure that their purchases are approved by the appropriate department, regardless of the dollar amount, when purchasing the following:

Restricted Goods and Services Chart

Restricted Goods and Services	Approving Department
Audio Visual	University Systems
Information Technology Devices and Services	University Systems
Advertising and Visual Identity Program / Marketing	UVic Communications
Graphic Design (On/Off Campus)	UVic Communications
Communications – Media Relations	UVic Communications
Printing	Printing Services
Dangerous Goods (e.g. chemicals, biohazardous materials, compressed gases, etc.)	Occupational Health, Safety and Environment
Hazardous Waste Disposal	Occupational Health, Safety and Environment

APPENDIX B: EXCLUSIVE ORDERING RESPONSIBILITY

The Facilities Management department has been designated with exclusive ordering responsibility for the following items:

- a. Construction
- b. Facilities maintenance
- c. Construction-related consultants
- d. Sustainability services (e.g. disposal and recycling)
- e. Furnishings, fittings and finishes per [Policy BP3130](#)
- f. Interior and external signage per [Policy BP3140](#)

The University Systems department has been designated with exclusive ordering responsibility for the following items:

- g. Network hardware and applications
- h. Telecommunications

APPENDIX C: EXEMPTED GOODS AND SERVICES

The following goods and services are exempted from the competitive process requirement described above. Procurement of these exempted goods and services has been delegated to specific departments and units, and are not required to adhere to the processes outlined in the Competitive Threshold Chart.

Exempted Goods and Services Chart

Exempted Goods and Services	Delegated Responsibility
Actuarial Services	Pension Boards; Associate Vice-President Financial Planning and Operations; Executive Director Financial Services
Arbitrators	Associate Vice-President Human Resources
Auditing	Respective Boards of Governors or Directors
Banking	Vice-President Finance and Operations
Employee Outplacement Services	Associate Vice-President Human Resources
Employee benefits, wages and salary	Vice-President Finance and Operations
Investments & Investment Manager Appointments	Foundations; Pension Trustees; Associate Vice-President Financial Planning and Operations; Executive Director Financial Services; Treasurer
Insurance	Associate Vice-President Financial Planning and Operations
Labour Relations and Benefits Advisors	Associate Vice-President Human Resources
Legal Services (External Counsel)	All those authorized by the Policy on Retention of External Legal Counsel AD2100
Library Materials	University Librarian
Merchandise for Resale (Non-surplus Items)	Relevant Department (may include but not limited to Bookstore, Food Services, Computer store etc.)
Multi Media In House Production	Chief Information Officer
Permits, Fees, Licenses	Accountable Department
Original Works of Art	University of Victoria Legacy Art Galleries
Public Speakers and Guest Lectures: Honoraria	Relevant Department
Real Estate: Acquisitions, Disposals and Leases	Vice-President Finance and Operations
Utilities (Electricity, Gas, and Water)	Executive Director Facilities Management