POLICY 36 - PROCUREMENT

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1. PURPOSE

1.1 This Policy governs all University Procurement and defines the roles and responsibilities, means of
Procurement, and approval thresholds applicable in the purchase of goods or services.

1.2 This Policy complies with the University’s obligations with Procurement laws and trade agreements like the
Ontario Broader Public Sector (BPS), the Accessibility for Ontarians with Disability Act (AODA), the Canadian
Free Trade Agreement (CFTA), the Comprehensive Economic Trade Agreement (CETA) and with its
obligations with granting agencies and research sponsors.

2. DEFINITIONS AND INTERPRETATION

- **Approval Authority Schedule.** Matrix showing the positions authorized to approve purchases and sign
Contracts on behalf of the University. It is found under section 8 (b) of this policy.
- **Business Approver.** Individual accountable for spending decisions in their area. This includes, but is not
limited to:
  - **Head of Unit.** This means any dean, vice-provost, deputy provost, chief executive, university
    librarian, associate vice-president, registrar, executive director or similar position (direct reports
to the VPs). They are the ultimate authority in their respective faculty/ service and are
accountable for the Procurement activity therein.
  - **Budget Manager.** This means CAOs, service directors or similar position (direct report to a Head
of Unit).
  - **Admin. Support.** Direct report to a Budget Manager or a Principle Investigator.
• **Contract.** Written agreement, letter of intent, memorandum of understanding, or other document that sets legally binding provisions between uOttawa and a Vendor and requires signatures from both parties.

• **Derogation.** Request to purchase without competition or to deviate from this Policy or related procedures.

• **Employee.** Administrative staff, academic staff or any person directly or indirectly receiving wages from the University of Ottawa.

• **Purchase Order (PO).** Official document sent by the University to a Vendor to capture the purchase of a product or service, the price and terms, and to commit the University’s funds.

• **Principal Investigator.** The person who has ultimate responsibility for a research project. In the case of a project funded by an external or internal grant or Contract, the Principal Investigator is the holder of the grant or Contract.

• **Procurement.** Acquisition by any means, including purchase, rental, lease or conditional sale of goods and services (including consulting, information technology and construction).

• **Procurement Services.** Different positions (central and local) that manage the Procurement processes.

• **Reimbursement.** Repayment to Employee who paid from their own personal funds for eligible University business or research related expenses (that did not involve commodities under catalogs or restricted commodities).

• **SDI.** Strategic Development Initiatives office within the Office of the VP, Research

• **Supplier or Vendor.** Used interchangeably throughout this Policy to mean the individual or organization that provides, or may provide, a product or service (including construction, consulting and information technology) to the University.

• **Transgression.** Purchase made that is contrary to the University policies and regulations.

2.1 All figures included in this Policy are in CAD$ and before any applicable taxes.

### 3. APPLICATION

3.1 This Policy applies to all Employees and current or prospective Vendors of the University.

### 4. GENERAL PRINCIPLES

4.1 The University is committed to conducting its Procurement with high ethical standards and through a process that is standard, open, fair, responsible and transparent and that is managed in a way that brings the best value for money.

4.2 The University is also committed to:

- ensuring an ethical, professional and accountable supply chain,
- being accountable for the results of its Procurement decisions and the appropriateness of its Procurement processes,
- respecting public Procurement directives and trade agreements,
- promoting, where feasible, the integration of sustainable development, social responsibility, equity, diversity and inclusion into its Procurement processes,
- including accessibility criteria, accessible design and features in its Procurement processes where possible.

4.3 A competitive Procurement process is the rule and a non-competitive Procurement can only be conducted, where Procurement laws permit and in accordance with this Policy and its related procedures.
4.4 The University formally adopts the Ontario Broader Public Sector Supply Chain Code of Ethics, which defines required behaviors from anyone involved in Procurement activities.

4.5 Employees responsible for procuring, involved in a Procurement process, or interacting with prospective or current Vendors must act, and be seen to act, with professionalism and in accordance with the following standards:

- **Fairness**: Treat current and potential Vendors in a fair and equitable manner.
- **Impartiality**: Encourage competition and demonstrate independence in our interactions with Vendors.
- **Integrity**: Avoid any actual or apparent conflict of interest.
- **Compliance**: Act in accordance with applicable laws, regulations and University policies and procedures.
- **Confidentially**: Protect internal and Vendor information.
- **Honesty**: Conduct business in good faith and expect the same from potential and current Vendors.
- **Social responsibility**: Consider sustainable and accessible criteria in the tendering processes
- **Accountability and transparency**: Ensure that the University’s resources are used in a responsible, efficient and effective manner.

5. **CONFLICT OF INTEREST**

5.1 Conflict of interest arises when an Employee favors his/her own interest or those of a close third party (for example, a friend, business partner or family member) to the detriment of the University.

5.2 To preserve our integrity, Employees must avoid conflict of interest (perceived or actual), which includes, but is not limited to:

- a. Using the University’s Contracts or “buying power” to acquire goods or services for personal use or the use of a close third party (including own businesses)
- b. Influencing University decisions to advance personal interests or those of a close third party
- c. Evaluating or entering into a Contract with a Vendor with which you or a close third party have ownership or investment interest
- d. Having access to confidential information that may affect or be perceived as affecting your objectivity in carrying out your duties
- e. Requesting or accepting gifts or entertainment from Vendors, such as:
  - Free or discounted tickets (concerts, sporting events, galas, etc.)
  - Cash, gift cards, gratuities or other cash-equivalents
  - Travel, hospitality or use of facilities
  - Alcohol, cigarettes or cannabis or items prohibited by law

5.3 An Employee can only accept a low dollar-value corporate promotional item (for example a mug, pen or notepad) given by a Vendor infrequently. That said, Procurement Services staff or any other Employee associated with a Procurement cannot accept gifts, meals or entertainment of any value at any time.

5.4 An Employee should pay for their own meal and beverages if invited by a Vendor to a restaurant.

5.5 Despite 5.3 and 5.4, accepting gifts, donations (for example, cash, assets, securities, or in-kind goods or services) or sponsorships (for example, Vendor funding for an event) of any kind or having meals with
Vendors is strictly forbidden during a Procurement process (starting when the Procurement need is being established until when the Contract is finally awarded and signed).

5.6 If a Vendor offers gifts, donations or sponsorships, these must be declared to Procurement Services and Procurement Services will assess and advise on whether there are any competitive Procurements that may result in a perceived, potential or actual conflict of interest.

5.7 If an Employee is in a conflict of interest (or is perceived to be in one), the Employee must disclose it to the Employee’s manager or the relevant Head of Unit. Procurement Services must be informed and will assess the situation and implement or advise the Head of Unit on the appropriate measures to either manage or resolve the situation.

5.8 Procurement should perform an annual review to ensure employees are not involved in any conflict of interest.

6. SUPPLIER INTEGRITY

6.1 To ensure the proper use and expenditure of public funds, existing and potential Vendors of the University must negotiate and conduct business ethically and with integrity. Vendors shall not attempt to influence any purchasing decisions by offering meals, entertainment, gifts or other unethical means to any Employee.

6.2 Vendors and/their subcontractors must comply with provincial and international laws (where applicable) and respect employment standards that include, but are not limited to, fair recruitment and compensation of its staff.

6.3 Suppliers shall maintain good standing with their business terms and must inform the University of any changes that conflict with public Procurement directives, affect Procurement decisions or impact on-going Contracts.

6.4 Suppliers should sign a form that they will comply with the University’s integrity and ethical business practices.

7. ROLES AND RESPONSIBILITIES

7.1 Procurement Service’s role is to assist Employees on all Procurement-related matters. Whether it is securing a Contract, supporting Vendor performance, or assisting with Purchase Orders and purchasing cards, Procurement Service’s goal is to guide and support internal clients so they spend less time on administrative tasks and more time on their area of specialty.

7.2 Procurement Services as a whole is comprised of the central Procurement Services office, who is the main Procurement authority on campus, and of local purchasing units (in faculties and services), which is the first point of contact for Employees when seeking to buy goods or services.

7.3 Although Procurement Services involves multiple stakeholders under different reporting structures, together, it guides internal clients in the engagement of Vendors, ensures the adherence to this Policy, and fosters effective working relationships with internal and external parties.
7.4 The table below outlines the different positions in Procurement Services as well as related groups that support the Procurement process.

<table>
<thead>
<tr>
<th>Role</th>
<th>Definition</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| Designated buyer              | Employee appointed by their Head of Unit and trained by central Procurement Services to act as a purchasing focal within their sector. For clarity, this is not an official title but rather someone responsible for Procurement in their sector. A Designated buyer is sometimes referred to as a decentralized buyer. | • Support purchasing requests in their sector and collaborate with central Procurement Services  
• Manage requisitions in the system  
• Approve POs up to $10k  
• Coordinate service Contracts <$100k and send them to central Procurement Services for review  
• Complete and submit derogation forms  
• Contact Facilities on all brokerage needs  
• Support internal distribution of goods  
• Support Contract management  
• Promote right Procurement practices with stakeholders |
| Regional buyer                | Dedicated purchasing professional supporting a specific faculty (at Science and Medicine) | Same as designated buyer plus:  
• Support local inventories  
• Approve POs up to $50k  
• Support warehouse activities |
| Central Procurement Services  | Dedicated Procurement professionals at central office and at facilities   | • Lead public tenders and supporting Procurement processes and systems  
• Approve POs above $10k for designated buyers  
• Approve POs above $50k for regional buyers  
• Approve Contracts under $100k  
• Conduct public tenders over $100k  
• Establish Procurement strategies  
• Establish institutional Contracts  
• Support Vendor and Contract performance  
• Monitor compliance and approve derogations and transgressions  
• Offer trainings on best Procurement practices |
| Procurement Executives        | Director of Procurement, AVP Finance and VP Finance and Administration     | • Oversee Procurement at the University  
• Maintain Procurement Policy  
• Drive standardization (templates and processes)  
• Serve as an escalation point  
• Approve large transactions and exceptions |
| Legal                         | University Legal counsel in the Legal Counsel Office                     | • Provides legal advice and opinion on Procurement laws and on legal Contractual terms  
• Reviews Contracts involving considerable legal risk (except those using templates previously reviewed by Legal or using collaborative agreements from the Ontario Educative Collaborative Marketplace (OECM), the Ministry of Government and Consumer Services (MGCS) or similar. |
8. AUTHORITY TO APPROVE/ SIGN

8.1 This section lists the positions with authority to approve purchases on behalf of the University and to sign Vendor Contracts (as applicable). It applies to all purchases within the scope of this Policy including revenue-generating Contracts.

a) General principles

1. Purchases must have an approved budget before a Procurement process begins.
2. Purchases must be properly documented in paper or digital format.
3. Purchases must always have two approvals: one by the Business Approver (in the faculty or service) and the other by Procurement Services.
4. Contracts must have two signatures: by the Business Approver and by Procurement Services.
5. The total value of purchase includes phases and extensions; it determines the Procurement process (or “means of Procurement”) and the approval thresholds that apply. This total must not be divided into multiple Procurements to circumvent Procurement thresholds.
6. The number of requested quotes represents the minimum. Additional quotes may be obtained if desired.
7. Derogations must be requested before engaging a vendor and reviewed at one-level above the Approval Authority (by the Business Approver and by Procurement Services).
8. Transgressions are reviewed at two-levels above the Approval Authority (with no guarantee of payment).
9. Despite point (7) and (8), a Derogation or Transgression that brings a purchase over $100k must be approved by the VP Finance and Administration. Also, it must be included in the President’s report to the province and the University’s Audit Committee.
10. At least three individuals having authority must be involved in a procure-to-pay workflow (requisition, budget approval, Purchase Order approval, reception and payment).
11. An Employee with approval authority who is on vacation or is temporarily unavailable may delegate their approval and Contract signing authority to their manager. This must be done in writing and communicated within the unit. That said:
   a. Delegation to a person at a lower or equal position level than the position who originally had the authority is not permitted
   b. Long-term delegation is not permitted
12. The principles set out in the Board By-law No. 3 (2020) on Delegation of Approval and Signing Authority apply to this Policy and are reflected in the Approval Authority Schedule in 8 (b). This stipulates that non-research contracts over $10M approved by the executive committee are signed by the President and a VP or the Secretary-General.
13. The University will provide Reimbursement on purchases up to $1k where the use of petty cash or a University issued purchase card is not practical or possible and the Procurement did not involve restricted commodities or commodities under Contract.
14. The University will not pay Vendor invoices that are not associated to a Purchase Order (except as permitted by this Policy and its related procedures).
15. When working with a Vendor of record, the terms of the Vendor of record arrangement must be followed rather than the “Means of Procurement” column in the Approval Authority Schedule.
16. Procurement related to Research must be done in accordance with the granting agencies’ stipulations and with the University’s policies and procedures (as the University is the administering institution).
### Approval Authority Schedule

<table>
<thead>
<tr>
<th>Total value (CAD$)</th>
<th>Means of Procurement</th>
<th>CFI purchases (research)</th>
<th>Non-CFI purchases (research)</th>
<th>Facilities</th>
<th>Faculties/ services</th>
<th>Procurement approver</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1k</td>
<td>Reimbursement, Pcard or PO</td>
<td>SDI Project manager</td>
<td>Principal investigator or Admin. Support</td>
<td>Lead hand, technician</td>
<td>Budget Manager or Admin. Support</td>
<td>n/a</td>
</tr>
<tr>
<td>1k-&lt;5k</td>
<td>Pcard or PO</td>
<td>SDI Project manager</td>
<td>Principal investigator or Admin. Support</td>
<td>Lead hand, technician</td>
<td>Budget Manager or Admin. Support</td>
<td>Designated or regional buyer (if PO)</td>
</tr>
<tr>
<td>5k-&lt;10k</td>
<td>PO- 1 quote</td>
<td>SDI Project manager</td>
<td>Principal investigator or Admin. Support</td>
<td>Lead hand, technician</td>
<td>Budget Manager or Admin. Support</td>
<td>Designated or regional buyer</td>
</tr>
<tr>
<td>10k-&lt;25k</td>
<td>PO- 2 quotes</td>
<td>SDI Project manager</td>
<td>Principal investigator</td>
<td>Supervisor, project coordinator</td>
<td>Budget Manager</td>
<td>Procurement officer, regional or central buyer</td>
</tr>
<tr>
<td>25k-&lt;50k</td>
<td>PO- 2 quotes</td>
<td>SDI Project manager</td>
<td>Principal investigator</td>
<td>Project manager, planner, manager</td>
<td>Budget Manager</td>
<td>Procurement officer, regional or central buyer</td>
</tr>
<tr>
<td>50k-&lt;100k</td>
<td>PO- 3 quotes</td>
<td>SDI Project manager</td>
<td>Principal investigator</td>
<td>Sr. project manager, sr. planner</td>
<td>Budget Manager</td>
<td>Procurement officer or central buyer</td>
</tr>
<tr>
<td>100k-&lt;200k</td>
<td>Public tender</td>
<td>SDI Associate director</td>
<td>Principal investigator and Exec. Dir. research mgmt. service</td>
<td>Assist. director, director</td>
<td>Head of Unit</td>
<td>Sr. Procurement officer</td>
</tr>
<tr>
<td>200k-&lt;300k</td>
<td>Public tender</td>
<td>SDI Associate director</td>
<td>Principal investigator and Exec. Dir. research mgmt. service</td>
<td>Assist. director, director</td>
<td>Head of Unit</td>
<td>Central proc. manager</td>
</tr>
<tr>
<td>300k-&lt;500k</td>
<td>Public tender</td>
<td>SDI Associate director</td>
<td>Principal investigator and Exec. Dir. research mgmt. service</td>
<td>AVP facilities</td>
<td>Head of Unit</td>
<td>Associate Procurement director</td>
</tr>
<tr>
<td>500k-&lt;1M</td>
<td>Public tender</td>
<td>SDI Associate director</td>
<td>Principal investigator and Exec. Dir. research mgmt. service</td>
<td>AVP facilities</td>
<td>VP</td>
<td>Sr. Director of Procurement</td>
</tr>
<tr>
<td>1M-&lt;5M</td>
<td>Public tender</td>
<td>SDI Director</td>
<td>Principal investigator and Exec. Dir. research mgmt. service</td>
<td>AVP facilities</td>
<td>VP</td>
<td>AVP Finance</td>
</tr>
<tr>
<td>5M-&lt;10M</td>
<td>Public tender</td>
<td>AVP Research</td>
<td>VP Research</td>
<td>President</td>
<td>President</td>
<td>VP Finance and Admin</td>
</tr>
<tr>
<td>10M and +</td>
<td>Public tender</td>
<td>VP Research</td>
<td>VP Research</td>
<td>Executive Committee</td>
<td>Executive Committee</td>
<td>VP Finance and Admin</td>
</tr>
</tbody>
</table>
c) Change Orders.

1. To increase the value of a Purchase Order or Contract, a change order must be requested and approved based on the PO or Contract’s new cumulative value (original value + additional cost or in-kind contribution) according to the Approval Authority Schedule set out in this Policy.

2. Changes under 5% (and up to $1,000) do not require new approvals unless the change caused the total value to go above the original approver’s authority, in which case, it must be approved according to the new threshold.

3. Changes that were approved as options (at the time of initial approval) do not require new approvals. This includes but is not limited to contingencies or additions.

4. Changes made to Contracts over $100k (example to extend timelines or modify deliverables) require the involvement of Procurement Services.

9. NON-COMPLIANCE

9.1 Employees must comply with this Policy when engaging Vendors, or when involved in any phase of a Procurement process. Failure to do so may result in disciplinary action.

9.2 Sample non-compliance includes, but is not limited to:
   • Making financial commitments with Suppliers without the involvement of Procurement Services
   • Falsely reducing the value of a Procurement or splitting a Procurement into multiple parts
   • Modifying or terminating Contracts without the involvement of Procurement Services
   • Approving a PO or signing a Contract without having the authority to do so
   • Asking a Vendor to deliver a service or product without an executed PO or Contract
   • Failing to disclose any actual or potential conflict of interest
   • Offering or accepting gifts or hospitality contrary to this policy

10. IMPLEMENTATION, REVIEW AND AMENDMENT

10.1 The Vice-President, Finance and Administration is responsible for the periodic review of this Policy and for establishing and approving related procedures to ensure good business practices and compliance with applicable Procurement laws and trade agreements.

10.2 The Vice-President, Finance and Administration may amend, abolish or make exceptions to administrative procedures for the purposes of the effective implementation of this Policy.

10.3 Amendments to this Policy, other than those set out in 10.4 below, require the approval of the Board or Executive Committee of the Board

10.4 The Vice-President, Finance and Administration may amend this Policy, as needed, to update,
(a) the designation, title or identity of officials, offices, or departments and contact information within the University;
(b) the designation or title of government ministries or agencies; and
(c) the title or citation of legislation, regulations, policies or procedures.