

PROCEDURE 4.3. PROCUREMENT STANDARDS

PURPOSE

1. This document establishes the procedures that support the University of Ottawa's [Procurement Policy \(36\)](#). It applies to all purchases made in the scope of such policy. The content of this procedure is operational, whereas the policy focuses on global principles and approval parameters. This document also addresses frequently asked questions.

SOCIALLY RESPONSIBLE PROCUREMENT

Sustainability

2. The University of Ottawa understands the importance of sustainability and promotes its presence on campus and through its services. Employees should utilize environmental and social considerations when purchasing for university requirements. For more information, please [contact Procurement](#).

3. Sample considerations include, but are not limited to:

- a. **Environmental.** Does the vendor work with green products or has policies to reduce its footprint? To learn more about green criteria, [refer to Policy 72 – Environmental management and sustainability](#).
- b. **Diversity.** Does the vendor create opportunities for indigenous peoples, people with disabilities or other underrepresented groups?
- c. **Community development.** Does the vendor offer apprenticeships, skills training or other opportunities to members of its community?
- d. **Small enterprises.** Does the vendor promote business with small, not for profit or social enterprises?

Accessibility

4. Procurement is proud and committed to promoting accessibility within the University. Employees are required to incorporate accessibility design, criteria and features when purchasing for university requirements. To learn more about how to incorporate accessibility into your procurement, please [contact the Human Rights Office](#). If accessibility is not an option, you must document the reason why. For more information, please [visit our website](#) or [Ontario's accessibility rules for procurement](#).

Indigenous groups

5. To purchase goods or services within Indigenous communities, employees may use PCards (for goods only), petty cash (up to a maximum of \$1,000) or reimbursements. Get pre-approvals from your faculty or service in advance and make sure you keep a copy of all receipts.

EXEMPTIONS AND RESTRICTIONS

Exemptions

6. The following purchases are exemptions. They **do not** require multiple quotes nor purchase orders:

- a. Real estate (building or land) purchases or leases
- b. Purchases with municipalities, ministries, government agencies, universities, hospitals or public institutions.
**Note that self-funded purchases, or privately-funded purchases are subject to policy 36.*
- c. Individual travel and hospitality (as per [policy 21 - reimbursement to Individuals for Business Expenses](#))
 - o Flights, taxi, hotel, restaurants and registrations to conferences
 - o *Business meetings and group events are **not** considered individual travel and are subject to policy 36.*
- d. Health or social services
 - o Medical professionals (doctors, dentists, nurses, pharmacists, veterinarians, etc.)
 - o Social services (social welfare, public education, health and child care, etc.)
- e. Specialized goods
 - o Exhibits and art purchases
 - o Gift cards (only allowed for volunteers, donors or research study subjects, not for staff)
 - o Library collections and materials administered by the Library
 - o Magazines or journal subscriptions
 - o Professional memberships
 - o Publications
- f. Fuel, gas, electricity and utilities
- g. Lawyers and notaries

7. You may request reimbursements (as permitted by [policy 21](#)) or direct-invoice payments for these purchases.

Partially-exempt procurement

8. The below list of purchases are exempt from competition but require POs for budget tracking and audit purposes. If there is a contract to sign, check with Procurement to see if we can add value to the process.

- a. The management of financial assets and liabilities (i.e. treasury operations)
- b. Fiscal agency or depository services
- c. Services related to the sale, redemption, and distribution of public debt
- d. Non-profit organizations

Restricted commodities

9. The following commodities are subject to the procurement policy; however, they follow a special workflow. Below is the first step to take for each case.

Type	Example	First step
Alcoholic beverages	Beer, wine	<u>Send your request to conventions and reservations.</u>

Dangerous goods	Chemicals, viruses, radioactive or flammable material, firearms	Contact the Office of Risk Management.
External events	Off-campus meetings or conferences organized by uOttawa	Check Policy 21 for eligible expenses and allowances/guest. Policy 36 applies for the number of quotes.
Facilities	Renovations, furniture, fixtures	Send your request to your facility manager or resource administrator. For more information contact Facilities .
IT	Hardware, software and services	Before you purchase hardware, software or IT services, contact your local IT as they may already have solutions or inventory to meet your needs. If you do not have a local IT team, please contact central IT . Also consult policy 116 to learn more about IT asset use and security standards.

International purchases

10. International purchases are subject to different treaties and regulations than national purchases. Procurement must help you with these purchases and will guide you through all necessary steps and logistics.

THE PROCUREMENT WORKFLOW

11. Below are the steps and roles/ responsibilities commonly involved in a procurement workflow. Each step is explained in the following pages.

Responsibility	Details	Lead	Support
Planning	Tell your Budget Manager your planned purchases for the year.	User	Central Procurement
Needs	Define the good or service to purchase	User	Designated Buyer <100k Central Procurement >100k
Quote	Obtain and evaluate quotes or proposals from vendor(s)	User <100k Central Procurement >100k	Designated Buyer <100k
Contract	Negotiate the terms and conditions of a purchase	Designated Buyer <100k Central Procurement >100k	Central Procurement approves all contracts over \$10k
Requisition	Enter request for purchase in the system	Designated or regional Buyer	
Approval	Authorize the purchase	Business approver AND Procurement approver	
Purchase	Authorize purchase order and send it to the vendor, or buy on PCard	Procurement (designated, regional or central)	
Receipt	Confirm that the good or service was correctly received	User	Designated or regional Buyer
Invoice	Receive the invoice from the vendor and enter it in system	Sciquest catalogue – automatic	Central Accounting and Procurement Systems Support

		Sciquest non-catalogue – Designated buyer Banner – local accounting (under \$5k), central accounting (over \$5k)	
Payment	Authorize release of payment to the supplier	Sciquest catalogue – automatic Sciquest non-catalogue or Banner: local accounting (under \$5k), central accounting (over \$5k).	Central Accounting
Changes	Modify an on-going mandate with a vendor	Procurement (designated, regional or central)	User
Vendor management	Monitor performance of vendor	User	Procurement (designated, regional or central)
Litigations and settlements	Settle with a vendor on a dispute	Central Procurement	Legal

Designated buyers

12. To know who the designated buyer in your unit is, please visit [our website](#). If you are a designated buyer and wish to be identified on our website, please ask your Head of Unit to contact [central Procurement](#).

PLANNING AHEAD

Campus-wide contracts

13. Before you start getting quotes, check with your Designated Buyer if the University already has a contract that could meet your needs. Campus-wide contracts are arrangements made by central Procurement with specific vendors for the benefit of many faculties and services. These include, but are not limited to, items like lab supplies, office supplies, furniture and IT equipment. Campus-wide agreements for products are found in Sciquest. Campus-wide agreements for services are found on our website.

Procurement plans

14. The University of Ottawa uses procurement plans to have a long-term view on its global purchasing requirements and to establish a strategy around the how, where and when to procure. Ultimately, they help lighten processes, improve lead times and maximize savings.

15. Towards the end of each fiscal year, users must discuss with their Budget Manager what they plan to purchase in the coming months. This will allow the Budget Manager to formulate a comprehensive [procurement plan](#) and submit it to central Procurement for visibility and planning purposes.

Timelines

16. Although it is difficult to predict how long your purchasing request may take, as a guideline, a catalog purchase usually takes a few days, purchases with a pre-qualified vendor take 2-3 weeks, new contracts under 100k take 1-2 months and public tenders over 100k can take 3-4 months. Please plan ahead and contact Procurement early.

DEFINING YOUR NEEDS

17. Ensure that you establish what you need in terms of technical or performance requirements AND NOT based on a specific brand. Public procurement directives require BRAND NEUTRALITY to ensure the fair treatment of qualified vendors.

GETTING QUOTES

Required quotes

[18. Policy 36](#) establishes the number of quotations to request for a purchase based on its dollar value. In brief, these are:

Purchase value (CAD\$)	Required quotes (or recent comparable)
<10k	1
10k - <50k	2
50k - <100k	3
100k and +	Open tender (done by Central Procurement)

19. For purchases under \$100k, the Designated Buyer must ensure all vendors receive the same information from the University to obtain apples-to-apples quotes.

Quoting with consultants

20. The Government of Ontario has two special rules for the engagement of consultants:

- a. You must engage consultants via a competitive procurement process, irrespective of the contract's value. If you want to sole-source, you must get the President's approval.
- b. Consultants cannot be paid for hospitality, food or incidental expenses (like parking or printing fees).

21. In brief, even though the University requires 1 quote for purchases under \$10k, this is different for consultants. You must get at least two proposals before awarding a contract under \$10k to a consultant.

22. Note that the Government defines **consultants** and **service providers** differently (even if we use the terms interchangeably). The former is strategic and provides expert advice that impacts decision making. The latter is tactical and helps us execute work. To learn more, visit the [Government's site](#).

Sole sourcing

23. The University of Ottawa requires multiple quotes on purchases over \$10k (and for all consulting agreements), as competitive procurement gives the best value for money. However, in exceptional circumstances, Procurement may authorize non-competitive procurement (like in cases of monopolies).

24. A derogation happens when a user asks permission in advance to deviate from the procurement policy. To engage a vendor without competition or request an exception to the [Procurement Policy](#), please complete a derogation form before hiring a vendor. Send it along with any supporting documentation to your Designated Buyer. Derogations are reviewed at one-level above the [Approval Authority](#) (by the Business Approver and Procurement).

25. A transgression happens when a user has deviated from the policy without asking permission. This is a serious offense that violates public directives and can be subject to disciplinary sanctions. If you find yourself in this situation, please complete a [transgression form and send it to your Designated Buyer](#). Transgressions are reviewed at two-levels above the Approval Authority (by the Business Approved and Procurement) and offer no payment guarantee.

26. Each year, Procurement must flag all derogation and transgression activity over \$100k to the Government. The report is signed by the University's president.

Equipment demos and leases

27. If you are interested in loaning, leasing or testing equipment before buying, please chat first with your Designated Buyer. Accepting items on trial or at no charge can lead to a real or implied commitment on behalf of the University. Procurement will fit the process of obtaining demos into the procurement strategy. If the equipment is linked to a CFI grant it must be pre-approved by Central Procurement (Research sector).

Third party marketplaces

28. Purchasing from trusted e-commerce sites like Amazon or Best Buy is OK for small transactions that cannot be fulfilled by our [campus-wide contracts](#). However, be cautious as independent 3rd party sellers also sell on these sites and may offer attractive pricing that could entail risks (e.g., low customer service, inaccurate item descriptions, difficulty handling returns or warranties, etc.). Note that all electronic or mechanical equipment used at the University must be CSA certified (or equivalent).

29. Buying new or used equipment through classified advertising services like Kijiji or eBay is not permitted due to a lack of regulations, quality controls or limited payment methods.

SIGNING A CONTRACT

Requirement for a Contract

30. Regardless of dollar value, a Contract should be used when dealing with a complex purchase. As a guideline, service agreements above \$5k and complex product purchases (involving warranties, penalties, etc) should have a Contract. Simple product or service purchases only require a Purchase Order. When a contract applies, it must be signed by the business and procurement approver listed in the [Approval Authority Schedule](#).

Digital signatures

31. The University of Ottawa recognizes digital signatures as a valid way to execute an agreement with a vendor. Digital signatures are like electronic “fingerprints” that, thanks to encrypted technology, securely associate a signer with a document in a recorded transaction. [Contact Information Technology](#) if you would like a license of the University’s digital signature solution.

REQUISITION

32. A requisition is an electronic document that initiates a purchasing process. When approved it becomes a Purchase Order, which is the document that is sent to a vendor. To start a requisition, the User and its Designated Buyer must collect the following information and input it into the procurement system:

- a. Description of the item or service to purchase, its price and terms of purchase
 - b. The FOAP, ship to address and point of contact
 - c. Copies of the obtained quotes
 - d. The approved derogation (if applicable)
 - e. The draft contract (if applicable)
 - f. The approval from the budget owner (manually attach approvals for Banner; Sciquest automatically gets approvals for you)
-

APPROVALS

33. Purchases over \$1k require the OK of both a Business Approver and a Procurement Approver. Please refer to [the Approval Authority Schedule](#) for more details. An individual cannot be both a business and procurement approver in a same transaction.

34. Note that even if your purchase was approved during a budgeting process, you still require the business and procurement approval before buying something. Remember, budgeting is a financial exercise that plans the expenses in a specific calendar year or project. Purchasing approvals are different. They confirm that both the business and procurement are OK with engaging vendor X, at price Y, under Z terms and conditions, and that the purchase complies with internal policies.

EXECUTING THE PURCHASE

Procurement methods

35. The University offers three purchasing vehicles: Purchase Orders, PCards or Reimbursements. Purchases under \$5k must follow the below priority:

- a. Purchase Order (POs) – Good for purchases covered by a campus-wide agreement, including [catalogs](#).
- b. PCard – Good for purchases not covered by a campus-wide agreement, including [catalogs](#).
- c. Reimbursement – For circumstances where it is not practical or possible to purchase on a PO or PCard (only valid for purchases under \$1k).

36. Note that purchases over \$5k require a Purchase Order unless you have a valid exemption. Also, purchases with self-employed service providers (like a translator not affiliated with a company) require purchase orders regardless of dollar value (the University must issue T4As to these individuals at the end of the year).

PCard purchases

37. Generally, PCards are reserved for Designated Buyers; however, a Budget Manager may request PCards for other staff that support special purchases in their sectors. Approval will be at the discretion of Procurement Services. For more information please refer to [policy 75 PCards](#).

Professional expense reimbursements (PER)

38. Purchases made with PER funds are reimbursed according to the APUO collective agreement or can be made on Sciquest (to benefit from negotiated rates). If you wish to mix and match funds (example, to purchase a computer with PER funds and research funds), you must indicate this to your Designated Buyer in advance.

RECEIVING AND PAYING

Matching process

39. Before paying a vendor, the University must confirm that a purchase matched quality and financial expectations. This is done via a three-way or two-way matching process. A **three-way match** compares information across three documents: the invoice, the purchase order, and the system reception. If everything is consistent across the board, then a payment is made. In low-risk purchases, central Procurement may also authorize **two-way matches**.

Customs

40. If you are buying (or returning) goods internationally, these must be cleared by customs and are subject to duties and taxes. The University has an agreement with a licensed customs broker to help with the related paperwork and payments. However, only a few representatives at the University may contact the broker directly. Kindly work with your Designated Buyer who will liaise with such representatives.

CHANGING A PURCHASE

41. To change a mandate with a vendor, contact your Designated Buyer so they may complete a change order request. The modified scope must be related to the original mandate. Otherwise, you must obtain new quotes, as the additional work is considered a separate project which must be presented to the market.

42. If you would like to work with a same vendor across many projects, let Procurement know in advance. They will bundle your projects together and tender everything as one large contract.

QUESTIONS OR COMMENTS

44. If you have questions or comments, [email Procurement](#).