



**HERITAGE COLLEGE
POLICY #30**

**CONCERNING
PURCHASING**

COMING INTO FORCE: February 23, 2009
REVISED: August 19, 2009
ADMINISTRATOR: Director of Building and Computer Services

**Heritage College Policy #30
concerning Purchasing**

	Preamble.....	1
ARTICLE 1	Purpose.....	1
ARTICLE 2	Application	1
ARTICLE 3	Provisions	1
	3.1 Guiding Principles	1
	3.2 Legal Framework	2
	3.3 Procurement	2
	3.4 Exceptions.....	2
	3.5 Purchase of System Equipment	3
	3.6 Regional Purchasing.....	3
	3.7 Analysis of Tenders, Evaluation and Publication of Information	3
	3.8 Conflict of Interest	4
	3.9 Inventory Management	4
	3.9.1 Inventory.....	4
	3.9.2 Disposition of Surplus Goods.....	5
ARTICLE 4	Roles and Responsibilities	5
	4.1 Board of Governors.....	5
	4.2 Executive Committee	5
	4.3 Director General.....	5
	4.4 Director of Building and Computer Services.....	5
	4.5 Directors or Managers of Administrative Units	6
	4.6 Requisitioner	6
ARTICLE 5	Revision	6
	Glossary.....	7

Heritage College Policy #30 concerning Purchasing

Preamble¹

In accordance with the « *Régime budgétaire et financiers des collèges d'enseignement général et professionnel* », the College must adopt a policy to govern its purchasing of goods and services, and its construction contracts. The present policy is established in accordance with the *Law respecting Contracting by Public Bodies*, hereinafter referred to as the Law. Furthermore, the present policy respects the bylaws adopted by the Board of Governors of Heritage College.

The College is subject to the Law and its related regulations.

ARTICLE 1 Purpose

The purpose of the present policy is to ensure that purchase transactions carried out on behalf of the College are done in a transparent and open manner, as befits a public institution funded by the Quebec government.

The present policy and its related procedures are also meant to protect employees by providing clarification and removing any appearance of discretionary or preferential treatment in the acquisition of goods and services for the College.

The present policy seeks to ensure the optimal management of the physical resources of the College through an effective supply system aiming at the least cost while satisfying the College's requirements for the quality of goods and services.

All of the above goals must be accomplished while:

- processing the requests of departments and services with a view to maintaining dependability and respecting the needs expressed by the requisitioners;
- satisfying requests within a reasonable delay and at the best price possible, depending on market conditions;
- respecting the regulations applicable to public and parapublic organizations such as Heritage College;

¹ See the Glossary for explanations of frequently-used terms.

- ensuring the fair treatment of suppliers and a promoting healthy competition among them;
- promoting the economic progress of Quebec and fostering local and/or regional purchasing;
- benefiting from consolidated procurement with other establishments of the public sector;
- promoting the purchasing of goods and services that maintain or improve the quality of the environment;
- promoting transparency of the purchasing process;
- maximizing benefits for Quebec for goods and services of less than \$100,000.

ARTICLE 2 Application

The present policy applies to the purchasing of goods and services for all administrative units of the College, irrespective of the nature and source of funds for their financing, with the following exceptions:

- legal services;
- financial services;
- books, periodicals and subscriptions for the library of the College, which are purchased directly by the person responsible for the service;
- employment contracts;
- the purchase of goods and services stated in article 3.4.

ARTICLE 3 Provisions

3.1 Guiding Principles

The present policy relies on the following principles:

- i) seeking the best sources of procurement with respect to quality/price ratio, taking into account warranties and total purchase price, in a context of sound management of public funds;
- ii) ensuring compatibility between purchasing practices and the Law;
- iii) valuing purchasing via group purchases through the *Fédération des cégeps*,

Heritage College Policy #30 concerning Purchasing

- GRICS, school boards and the Quebec Ministry of Supply and Services;
- iv) optimizing purchasing by making judicious use of the best information technology;
 - v) ensuring continuous evaluation of the optimal quality and quantity of supply sources by engaging requisitioners in the supplier certification process;
 - vi) promoting the purchase of standard rather than customized products, and products registered by recognized organizations such as BNQ, CSA, ULC, CRIQ, ISO, etc.;
 - vii) while respecting the aforementioned, promoting local suppliers in the Outaouais region;
 - vii) whenever possible, encouraging the purchase of environmentally friendly products.

3.2 Legal Framework

The present policy must respect the requirements of and take into account government regulations, in particular:

- i) the Law;
- ii) the *Régime budgétaire et financier des collèges d'enseignement général et professionnel*;
- iii) the *Loi sur le développement des entreprises québécoises dans le domaine du livre*;
- iv) other acts or regulations covering the purchase of goods and services.

3.3 Procurement

Generally, the following types of purchasing are done by Purchasing Services:

- i) any purchase under fifty dollars (\$50), by direct purchasing or through petty cash.
- ii) any purchase between fifty dollars (\$50) and five thousand dollars (\$5,000), by request for quotation and direct negotiation;
- iii) any purchase between five thousand dollars (\$5,000) and fifty thousand dollars (\$50,000), by invitation to tender;

- iv) any purchase over fifty thousand dollars (\$50,000), by public call for tenders.

For all approval authorities, it is prohibited to complete a transaction by dividing it when this circumvents the requirements of *Heritage College Policy #1 concerning Financial Management*. Similarly, for all other conditions, any deviation must be explained in writing and noted in the supplier's record.

3.4 Exceptions

The Director General or a delegate may authorize a purchase, without a call for tenders:

- i) when the price of the goods and services is established by a government law or regulation;
- ii) from public utilities such as hydro, gas, telephone, cable, etc.;
- iii) for goods and services purchased through the services of the *Fédération des cégeps* or through other group services;
- iv) when the product to be purchased has been the subject of a rental contract and part of the rental cost is recoverable;
- v) in the event of an emergency or when production deadlines are crucial. In such cases, the College may award a contract exceeding one hundred thousand dollars (\$100,000), without respecting rules of procedure. The Director General must report such an action to the next regular meeting of the Executive Committee;
- vi) when the time required for a written invitation to tender could prove detrimental to the College. In the case of a purchase between five thousand dollars (\$5,000) and fifty thousand dollars (\$50,000), the Director General must report such a purchase to the Executive Committee;
- vii) when only one supplier satisfies the specific needs of the requisitioner;
- viii) when used goods are purchased, in which case, an explanatory note must be attached to the purchase record and the onus of proof, if necessary, will be the responsibility of the requisitioner of the purchase by exception;

Heritage College Policy #30 concerning Purchasing

- ix) when the manufacturer controls the selling price of its distributors, entitling the buyer to an institutional or governmental price;
- x) in the event of an emergency, when the life, health, or security of individuals is in danger, or when there is a serious risk that the goods of the College can be damaged;
- xi) for purchasing sand, stone, gravel, or plant mix valued at less than two hundred thousand dollars (\$200,000);
- xii) for contracts allocated to the winner of a design competition;
- xiii) for purchasing goods under exceptionally advantageous conditions, for example in the case of bankruptcy;
- xiv) in all other cases when the Board of Governors authorizes, with just cause, derogation of the present policy.

3.5 Purchase of System Equipment

Any requisition to purchase material, computer equipment and software, telephone equipment, photocopiers and chip-cards must be submitted to Building and Computer Services for their recommendation before issuing a purchase order. Any requisition to purchase audio-visual equipment and digital cameras must be submitted to Audio-Visual and Web Services.

Each service providing a recommendation, must ensure that the warranties, plans and manuals required for the maintenance of the recommended equipment are available on the market. Also, the recommending service must ensure that the equipment meets the needs of the requisition and is compatible with the network and the equipment already in place.

3.6 Regional Purchasing

Whenever possible, the College seeks supply sources within the Outaouais territory, (administrative region #7). The College will promote purchasing from local suppliers at comparable cost, quality, service and availability of goods. This does not apply in the case of liberalized public procurement and group purchases.

Purchasing Services has the responsibility to ensure rotation of suppliers for all acquisitions. For contracts valued at less than twenty-five thousand dollars (\$25,000), however, the rotation principle is applicable only when a pool of suppliers is available and when it is to the advantage of the College.

3.7 Analysis of Tenders, Evaluation and Publication of Information

Purchasing Services is responsible for ensuring the integrity of the tender analysis. Participants in the analysis of submissions, who have a conflict of interest with respect to any of the bidding firms must notify the person responsible for purchasing, in accordance with article 12 of the Colleges Act.

The College reserves the right to cancel, at any time, a call for tenders or request for quotation. A bidder does not have any recourse against the College, for any motive, following a decision to cancel or reject a call for tenders or a request for quotation.

Contracts are granted as follows:

- 1) For supply contracts, tender evaluations are based on:
 - the lowest price alone; or
 - a minimum quality and the lowest price.
In cases when more than one supplier meets the minimum quality specifications, price will be the deciding factor.
- 2) For construction contracts, tender evaluations are based on the lowest price alone.
- 3) For service contracts, tender evaluations are based on:
 - the lowest price alone;
 - a minimum quality and the lowest price;
 - a specified quality/price ratio (according to the adjusted lowest price);
or
 - quality alone (the highest final score).

When the College uses a granting method other than price alone, criteria and methods of

Heritage College Policy #30 concerning Purchasing

evaluation of tenders shall be specified in the public tender documents. The College must use terms and conditions of quality as stipulated in the evaluation grid included in the tenders. The grid should be in accordance with the Law.

When there is a quality evaluation, the College must establish a selection committee of three (3) members plus a secretary, who is responsible for coordinating the activities. A member of the committee may be an external resource.

Bylaw #8, concerning the Delegation of Power given by virtue of the Law respecting Contracting by Public Bodies, determines the body responsible for the awarding of all construction, service and purchasing contracts for amounts of two hundred thousand dollars (\$200,000) or less.

Following a public tender call, all granted contracts must be published in the electronic tendering system designated by the Law within 15 days of awarding the contract.

All granted contracts, which are valued at twenty-five thousand dollars (\$25,000) and more, must be published in the electronic tendering system designated by the Law no later than November 1 and May 1 of each year.

When opening a call for tenders, the names of suppliers and their respective total prices (all taxes excluded) are disclosed, and are subject to future audits. This information must be published in the electronic tendering system designated by the Law within four (4) days after the bid opening.

When there is a quality assessment, only the names of suppliers are disclosed. This information must be published in the electronic tendering designated by Law within four (4) days after the bid opening. The College informs each bidder of the result of its bid within 15 days following the granting of the contract.

3.8 Conflict of Interest

The buyer will adhere to the values and standards of ethical behaviour and the rules of conduct of the Purchasing Management Association of Canada (PMAC)².

The College may not conclude the purchase of goods and services with companies in which any employees of the College have interests, when the latter participate in, are consulted about, or may influence the decision making in any way.

Similarly, members of the Board of Governors are bound to article 12 of the Colleges Act as well as to *Heritage College Bylaw #6 concerning the Ethics and Professional Conduct of Board Administrators* when the College does business with companies in which members of the Board have direct or indirect interests.

3.9 Inventory Management

Heritage College establishes and keeps an up-to-date inventory of its capitalizable goods.

3.9.1 Inventory

Purchased goods, including donations, remain registered in the inventory record until they are cancelled, written off or sold.

Purchasing Services is responsible for maintaining the inventory of capitalizable goods, assets except for books, other library documents and software that are the responsibility of Computer Services:

Capitalizable Assets and Goods

Furniture for:

- classrooms
- laboratories
- administration and services
- the library
- hallways and meeting rooms

² See PMAC Code of Ethics in Reference Document #P30.1.

Heritage College Policy #30 concerning Purchasing

- the cafeteria
- student rooms.

Equipment instruments and tools for:

- laboratories
- the library
- Audio-Visual and Web Services
- Physical Education
- administration and services
- maintenance of buildings and grounds
- reprography
- the cafeteria.

Library and A.-V. resources for:

- the written collection
- the audio-visual collection.

Renewal of the Building and Grounds Inventory

- building renovations and alterations: cost of the work, fees and other costs
- grounds: trees, fences, concrete and paved areas, athletic areas, lighting and signage.

3.9.2 Disposition of Surplus Goods

When goods are no longer judged to be useful by an administrative unit, the manager responsible for the unit must dispose of them in accordance with *Heritage College Procedure #27 relating to Purchasing, article 13.*

ARTICLE 4 Roles and Responsibilities

The present policy confirms the following roles and responsibilities:

4.1 Board of Governors

The Board of Governors must exercise its powers and responsibilities, pursuant to the Act and to the Law. Board of Governors authorization is required for all open and closed goods and services contracts of more than three years. Open contracts may be extended for an additional two years, for a maximum total duration of five years. No

restrictions apply to the number of years for which a closed contract may be extended. Contract renewals are authorized in accordance with the provisions of *Heritage College Bylaw #8 concerning the Delegation of Power given by virtue of the Law respecting Contracting by Public Bodies* and the present policy.

The Board of Governors approves the present policy and any amendments thereto.

4.2 Executive Committee

The College does not recognize any commitment arising from a purchase made outside the rules prescribed by the present policy or by the purchasing procedures sanctioned by the Board of Governors, except if such a purchase was approved by the Executive Committee or, in an emergency, by the Director General.

The Executive Committee approves any administrative regulations relating to the present policy, and any modifications thereto. Furthermore, it also approves goods and services contracts as stipulated in the present policy and Bylaw #8.

4.3 Director General

The Director General shall be responsible for the overall management of the present policy and may delegate related responsibilities.

4.4 Director of Building and Computer Services

The Director of Building and Computer Services is responsible for the enforcement of the present policy, in compliance with the provisions of *Heritage College Policy #1 concerning Financial Management* and *Heritage College Policy #2 concerning Signing Authority.*

The Director of Building and Computer Services is responsible for recommending updates to the present policy. Only authorized personnel from Purchasing Services may negotiate and issue purchase orders for the acquisition of goods and

Heritage College Policy #30 concerning Purchasing

services on behalf of Heritage College, except for the goods and services cited in article 3.4. Purchasing Services is in charge of receiving and distributing the goods and services.

4.5 Directors or Managers of Administrative Units

Each director or manager of an administrative unit is responsible for planning the purchasing needs of the unit in coordination with Purchasing Services so that the goals of the present policy may be respected as efficiently as possible.

4.6 Requisitioner

The requisitioner is responsible for providing a complete description of the goods and services to be acquired. That individual may, when the nature of the goods and services required necessitate a specific technical knowledge, gather such information from potential suppliers. The requisitioner may not negotiate or make a commitment on behalf of the College.

ARTICLE 5 Revision

The present policy will be reviewed at least every five (5) years, and revised when deemed necessary by government requirements or by the Board of Governors.

Heritage College Policy #30 concerning Purchasing

GLOSSARY

Adjusted

lowest price: used in the quality evaluation process for service contracts, as referenced in Division IV, article 21 of the *Regulation respecting service contracts of public bodies*, c. C65.1, r.2. The formula to be used in determining adjusted lowest price is prescribed in Schedule 2 “Quality evaluation conditions for a contract award based on the lowest adjusted price or based on the final score for the highest quality.”

Administrative

unit: service or academic department forming part of the administrative structure of the College.

AIT: Agreement on Internal Trade.

BNQ : *Bureau de normalization du Québec.*

Buyer: A member of the Purchasing Services staff who is authorized to negotiate and issue purchase orders for the acquisition of goods and services on behalf of Heritage College.

Call for

tenders: A document issued in writing (or verbally in the case of calls for tenders requested by phone, also called “requests for quotations”) by Purchasing Services whereby potential suppliers have the opportunity to submit a bid to supply the goods and services requested by Heritage College.

Closed contract A contract in which the terms constitute the entire agreement between the contracting parties and no clause or provision can be modified without mutual consent (e.g., an insurance contract).

The College: Heritage College/Collège Heritage.

The Colleges

Act: *General and Vocational Colleges Act* (R.S.Q., c. C-29, s.18; 1993, c.25, s. 11) and amendments.

CRIQ *Centre de recherche industrielle du Québec.*

CSA Canadian Standards Association.

DEC *Direction de l’enseignement collégial.*

GRICS *Gestion du Réseau des commissions scolaires.*

Invitation

to tender: A call for tenders sent by fax, mail-out or any other information technology personally addressed to potential suppliers identified by Purchasing Services and inviting them to submit bids in writing.

ISO International Organization for Standardization.

The Law *Law respecting Contracting by Public Bodies* (R.S.Q., c. C-65.1) and amendments.

Open contract A contract in which the terms do not constitute the entire agreement between the contracting parties and the clauses or provisions can be modified without mutual consent (e.g., some supply contracts in which the vendor can increase the price or alter other elements).

Heritage College Policy #30 concerning Purchasing

- Public call for tenders:** A call for tenders by the electronic call-for-tender system required by the government of Quebec and/or a call for tenders in daily, biweekly or weekly newspapers or trade publications covering the region and inviting suppliers to submit bids in writing.
- Quebec product:** A product with a percentage of Quebec content, either in the raw material, in the manpower or in other costs paid to Quebec within the price quoted.
- Specifications:** A document outlining the general conditions and technical requirements of the College for a public call for tenders or an invitation to tender.
- “Standing offer” agreement:** A written agreement between the College and one or more suppliers of services, items, goods, equipment, materials or supplies, printing or reproduction and subscription agreements. Such an agreement may take the form of a purchase order.
- Supplier:** A legally-constituted company, a recognized professional under the terms of the *Office des professions*, or a self-employed worker called upon to supply goods and services to the College.
- Supply Contract:** A written contract concluded with a supplier outlining the purpose, the considerations as well as the contractual terms and conditions of each party by mutual agreement.
- ULC** Underwriters’ Laboratories of Canada.

Heritage College Policy #30 concerning Purchasing

Related Document(s)

This document is to be used in conjunction with:

- *Law respecting Contracting by Public Bodies (R.S.Q., c. C-65.1), its regulations and their schedules and amendments.*¹
- *Régime Budgétaire et financiers des collèges d'enseignement général et professionnel.*²
- *General and Vocational Colleges Act (R.S.Q., c. C-29, s.18; 1993, c.25, s 11).*³
- *Heritage College Bylaw #6 concerning Ethics and Professional Conduct of Board Administrator.*⁴
- *Heritage College Bylaw #8 concerning the Delegation of Power given by virtue of the Law respecting Contracting by Public Bodies.*⁵
- *Heritage College Policy #1 concerning Financial Management.*⁶
- *Heritage College Policy #2 concerning Signing Authority.*⁷

¹ Copies of this document are available from Building Services.

² Copies of this document are available from Financial Services.

³ Copies of this document are available from the Director General's Office.

⁴ Ibid.

⁵ Ibid.

⁶ Copies of this document are available from Financial Services.

⁷ Copies of this document are available from the Director's General Office.