
Heritage College Administrative Procedure #27 relating to Purchasing

Subject: Procedures relating to purchasing at Heritage College

Administrator: Director of Building and Computer Services

**Issuing
Service:** Building Services

**Coming
Into Force:** February 24, 2009

Revised: N/A

Purpose

The purpose of this document is to provide standard procedures relating to purchasing at Heritage College.

Application

These procedures apply to all employees at the College authorized to purchase goods and services.

Procedures

1. Requisitions

The present procedure applies when there is a need for goods and services that have not yet been acquired. To acquire goods and services for the College, employees must submit requisitions by using the College's computerized purchasing management system.

The requisitioner:

- identifies the administrative unit and the person for whom the goods or services are being requested;
- provides a complete description of the goods or services to be acquired (i.e., detailed description, quantity, possible price, category, required delivery date and budget code);
- either suggests one or several accredited suppliers in the computerized system who are able to deliver the merchandise or perform the services for the required date;

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or proposes a new supplier, indicating in an attached internal memo to Purchasing Services all of the contact information for that supplier (i.e., complete address with postal code, telephone and fax numbers).

Each requisition is to be signed, saved, printed and forwarded for approval to the person responsible for the designated budget (e.g., coordinator or immediate supervisor).

No personal purchasing will be accepted. However, suppliers that choose to offer special rebates to employees shall so inform Purchasing Services, which will relay the information to College employees.

2. Budget Approval

The person responsible for the budget from which the requisition will be debited must verify the pertinence of the requisition, the budget code and the availability of funds in that budget.

If the person responsible for the designated budget is **in agreement** with the requisition, that individual must sign it, initiate the expenditure on the computerized system, save it and forward it for processing by Purchasing Services.

If the person responsible for the budget is **in disagreement** with the requisition, that individual may modify it or return it to the requisitioner. If it is to be returned to the requisitioner, the person responsible for the designated budget indicates in the internal memo if more information is required or the grounds for refusing to approve.

In the absence of sufficient funds, the person responsible for the designated budget:

- i) will temporarily withhold processing of the purchase requisition;
- ii) will decide whether or not to proceed with a reassignment of funds from another budget code with a surplus;
- iii) will complete and finalize the requisition when sufficient funds have been made available.

Purchasing Services will return all requisitions with insufficient funds in the designated budget to the person responsible for that budget.

3. Request for Quotation or Purchase Order

In accordance with *Heritage College Policy #30 concerning Purchasing*, Purchasing Services will process requisitions, either by request for quotation and

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direct negotiation, by invitation to tender, or by a public call for tenders, or will transform the requisition directly into a purchase order, if it qualifies as an exception as described in article 4 of that policy.

For any purchase between fifty dollars (\$50) and five thousand dollars (\$5,000), negotiated procurement (by means of telephone inquiries or information technology) with a supplier who adequately meets the quality-price ratio requirements, has the required material in stock and can ensure delivery, or can perform the required services for the prescribed date, will be favoured.

4. Invitation to Tender

Any written invitation to tender by mail, courier service or information technology will be addressed to at least three, preferably five, suppliers and will be used when the estimated cost of the purchasing contract is between five thousand dollars (\$5,000) and fifty thousand dollars (\$50,000). In all cases, the Director of Building and Computer Services may decide to use a public call for tenders. Any invitation to tender sent out under this directive must contain at least the following provisions and information:

- i) that the College does not commit to accepting the lowest or any other bid received;
- ii) that, to be considered, any tender must be duly completed and reach the place indicated before the specified time.

For invitations to tender, the delay which is to be specified for the reception of submissions is to be calculated from the date indicated on the invitation documents and must not be less than ten (10) working days.

During the tendering period, the College will answer any written requests for information by means of an *addendum*¹, dated and numbered.

In cases of delays caused by the mail system or for any other reasons considered valid, the Director of Building and Computer Services or the Director General can authorize an extension for the reception of submissions if they consider it to be appropriate or if one or more bidders request it.

All submissions received in relation to a call for tenders must be opened by a representative of Purchasing Services or a delegate in the presence of at least one witness.

¹ For the purposes of these procedures, an *addendum* is an explanation, amendment or supplement to any part of the original call for tenders documents which is added during the tendering period.

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5. Public Calls for Tenders

For any contract of an estimated cost higher than fifty thousand dollars (\$50,000), the College will issue a notice *via* the electronic call for tenders system required by the government of Quebec and/or in at least one daily newspaper.

Any public call for tenders issued under this directive must contain at least the following provisions and information:

- i) that the College does not commit to accepting the lowest or any other bid received;
- ii) that the submission will be valid for a stipulated period;
- iii) that, to be considered, any submission must be duly completed and reach the place indicated before the specified time.

The documents related to a public call for tenders must be released without delay to any person requesting them who meets the conditions for obtaining the documents stipulated in the call for tenders. With respect to all electronic or newspaper calls for tenders, the delay which is to be specified for the reception of submissions is to be calculated from the first publication of the call for tenders, and cannot be less than fifteen (15) working days.

During the tendering period, the College answers, if need be, written requests for information by means of an addendum, dated and numbered. If the reception of submissions cannot take place at the location, date or cut-off time mentioned in the tender notice, a notice is given to the persons to whom the documents related to the call for tenders were given, informing them of the modifications.

The opening of the submissions must immediately follow the cut-off time set for the reception of submissions. In the event of an act of God, however, the opening of the submissions may be done at a later date, in which case, such notice is given to the persons to whom the documents related to the call for tenders were given.

All submissions received with respect to a call for tenders must be opened publicly by a representative of Purchasing Services or a delegate in the presence of at least two witnesses.

During the public opening of the submissions, the Purchasing Services representative or delegate recognizes each submission and reads aloud at least the following information:

- the company name of the bidder;

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- when a security deposit is required in the call for tenders, whether or not it is included with the submission;
- whether the submission is signed or not;
- the amount of the submission when the submission includes a total price. In all other cases, unit prices will be read, unless expressly stipulated to the contrary in the call for tenders (e.g., in the case of a quality-based tender).

6. Specifications

The specifications must be written to encourage competition and to allow verification of the quality. In particular, the specifications must be:

- sufficiently precise for suppliers to be in a position to propose merchandise or services that meet the requirements;
- sufficiently general not to exclude merchandise or services subject to meeting the needs of Heritage College.

In the absence of adequate specifications, the College may identify merchandise by one or several trademarks and catalogue numbers, followed by the expression “or the equivalent.” In such a case, the College reserves the right to determine the equivalence of the merchandise.

In the case of very specialized material, for normalization or emergency reasons, the College may also choose not to specify an alternative by using the expression “no substitute.”

7. Bidding Process

In all cases when submissions were invited, the lowest bid is retained in accordance with *Heritage College Policy #30 concerning Purchasing*, article 3.7, and with the present procedures except:

- i) when there is serious, justifiable doubt about the quality, delivery or services. In this case, the motives for this decision must be recorded in writing in the purchase file.
- ii) when weighted pricing must be applied based on the content of the call for tenders for goods and services. In this case, the selection criteria must be determined and a selection committee must be struck. The contract is then awarded to the bidder whose submission is revealed to be the lowest after weighting.
- iii) when a submission is received late. In this case, the envelope must not be opened but must be returned by mail or by messenger “as is,” with notification that the submission was received late.

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- iv) when only one submission is received. In this case, the College may delay the opening and contact the suppliers by phone to inform them of an additional delay, after which, the opening of the submissions must take place.

Heritage College is not required to accept any of the submissions received and 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 following a decision to cancel a call for tenders or a request for quotation.

Purchasing Services is responsible for ensuring the analysis of submissions as follows:

- 1) For supply contracts, tender evaluations are based on:
 - the lowest price alone;
 - a minimum quality and the lowest price.
- 2) For contracts of construction, 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 quality/price ratio (according to the adjusted lowest price²);
 - quality alone (the highest final score).

When the College uses a granting method other than price alone, criteria and methods of evaluation of tenders shall be specified in the public tender documents. The College must use the terms and conditions of quality assessment as stipulated in appendices of regulations adopted in accordance with the Law.

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

Heritage College 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 the contract.

² “Adjusted lowest price” is used in the quality evaluation process for contracts, as referenced in Division II, article 25 of the *Regulation respecting construction contracts of public bodies*, c. C65.1, r.3. The formula to be used in determining adjusted lowest price is prescribed in Schedule 5 “Quality Evaluation Conditions.”

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All granted contracts, following a call for public tenders, must be published in the electronic tendering system designated by the Law within fifteen (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 system designated by Law within 4 days after the bid opening. The College informs each bidder of the result of its bid within fifteen (15) days following the granting of the contract.

8. Reception of Merchandise

When the merchandise is received, the receipt voucher is signed only if it corresponds to the merchandise requested. Purchasing Services identifies parcels for delivery. Delivery is made once a day by Building Services. **The requisitioner must verify the merchandise, sign the delivery slip and return it immediately to Purchasing Services.**

If the merchandise received does not correspond to the merchandise requested because it is non-compliant with the requisition form, is damaged, broken or defective, the requisitioner must immediately notify Purchasing Services.

Note: Quantity checking and quality control of delivered products is the responsibility of the requisitioner who must inform Purchasing Services of any anomaly.

9. Emergency Purchase and Reimbursement

When, under exceptional circumstances, the acquisition of a good or service is made necessary for the security of persons or goods at issue or when it would adversely affect the interests of an administrative unit to follow the current purchase requisition procedure, the authorization of the person responsible for the designated budget will always be necessary before proceeding with the acquisition.

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If the amount exceeds fifty dollars (\$50), the person responsible for the budget will have to justify the emergency in writing Purchasing Services, before any payment is made.

9.1) Emergency

When the acquisition of the goods or services precedes the requisition and the authorization of the person responsible for the designated budget has been received before making the acquisition, proceed with a cheque requisition accompanied by a copy of the written justification for the emergency purchase *via* the computer system, exactly as for any other merchandise requisition, while making sure to take the following precautions:

- In the description of the item, indicate that it is not a new requisition and that the merchandise has already been purchased and received.
- Always indicate the number of the invoice to be paid in the description of the item.
- The requisitioner must indicate the requisition number on the invoice to be paid and forward the form by internal mail to Purchasing Services.

9.2) Reimbursement

A request for reimbursement by cheque must be completed by the person responsible for the designated budget for any request exceeding fifty dollars (\$50).

When the merchandise has been purchased and the requisitioner has already paid the invoice with personal money and requests a reimbursement for one hundred dollars (\$100) or less, the requisitioner:

- i) prepares a requisition *via* the computer system;
- ii) indicates in the description of the item that reimbursement of an invoice already paid is being requested and indicates the invoice number;
- iii) inserts the requisitioner's own name under "supplier;"
- iv) signs the requisition, saves it, prints it and submits it to the person responsible for the designated budget for approval and signature;
- v) submits the requisition, with the invoice, to the person responsible for petty cash to obtain a reimbursement, but only after the paper requisition has been signed by the person responsible for the designated budget.

For invoices exceeding one hundred dollars (\$100), the requisitioner proceeds exactly as above to obtain reimbursement. In addition, the person responsible

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for the designated budget must justify the emergency with a note on the requisition in the computer system.

10. Funding Criteria for Inventory Purposes

Fixed assets are assets of a lasting nature that are used in the College activities, such as grounds, computers, material, appliances, furniture and library resources. The threshold amount to be considered is one thousand dollars (\$1,000). Examples include, but are not limited to purchases:

- of a lasting nature, the useful life of which exceeds one year;
- that add to the value of the building, grounds or capital assets;
- of securities investments and equipment whose threshold amount is:
 - i) fifty dollars (\$50) for furniture;
 - ii) three hundred dollars (\$300) for appliances, equipment and specialized teaching equipment or others;
 - iii) five hundred dollars (\$500) for appliances and small computer equipment (i.e. printers);
 - iv) one thousand dollars (\$1,000) for software, software products and other computer equipment such as hard drives and specialized cards;
 - v) one thousand dollars (\$1,000) for rolling stock; and
 - vi) all assets of the library resources.

Note: Installation, customs delivery and all other inherent fees are part of the cost of property acquired and are included in the same budget item.

11. Repairs, Alterations or Replacements

Costs committed for repair, alteration or replacement of fixed assets can be funded if they result in an increase of the value of fixed assets, an enhancement in the performance of the goods and an extension of the useful life. The threshold amount to be considered is five hundred dollars (\$500).

12. Maintenance

All expenses related to maintenance, prevention and maintenance contracts for upkeep are included in the operating budget.

13. Disposal of Surplus Goods

When goods are no longer judged to be useful by an administrative unit, the manager responsible for the unit must fill out a document for this purpose and

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forward it to Purchasing Services, which in turn, in accordance with the following priorities, will prioritize and may decide to:

- i) offer it to other administrative units of the College;
- ii) dispose of it by exchanging it for other goods or services;
- iii) sell it to the community, if the price corresponds to a fair market value;
- iv) donate it to employees and students or to non-profit organizations; or
- v) scrap it if it has no residual value.

After disposing of the goods, Purchasing Services must advise Financial Services to proceed with book write-offs.

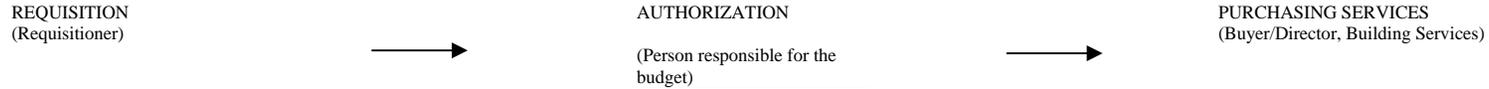
14. Revision

These revisions will be reviewed at least ever five (5) years by the Director of Building and Computer Services, and revised as required.

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Appendix #PR27.1—Requisition Process

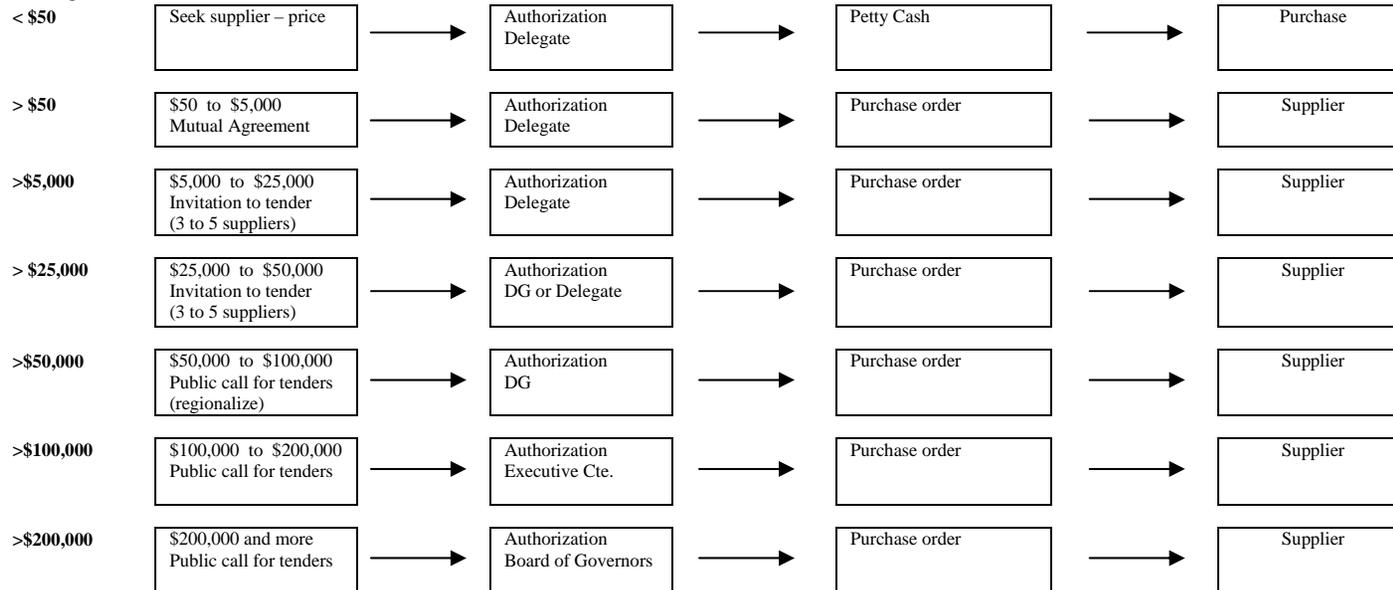
1. REQUEST



- The requisitioner fills out the requisition and sends it to the line supervisor or to the person responsible for the designated budget.
- The person responsible for the designated budget approves it and sends it to Purchasing Services or to the Director of Building and Computer Services.

N.B. Purchasing Services must submit requests for audio-visual and computer equipment and other technologies to Building and Computer Services, and to the person responsible for Audio-Visual Services.

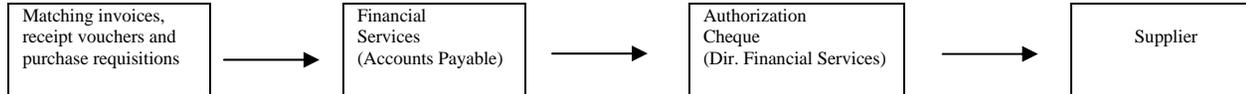
2. REQUISITION



3. RECEPTION



4. PAYMENT



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Appendix #PR27.2—Summary of Policy Procedures

- All College personnel who wish to acquire goods or services must be registered as users in the purchasing module of the College's computerized system and have an access code.
- To do this, a request must be sent to Financial Services by the person responsible for the budget of the requisitioner, indicating the budget codes to which the requisitioner will have access.
- Purchasing cycle: requisition, budget approval, request for quotation or purchase order, receipt voucher and payment.
- Any purchase under fifty dollars (\$50) may be made through direct purchasing or through petty cash.
- Any purchase between fifty dollars (\$50) and five thousand dollars (\$5,000) may be made by a request for quotation and direct negotiations.
- For any purchase between five thousand dollars (\$5,000) and fifty thousand dollars (\$50,000), an invitation to tender is to be addressed to a minimum of three suppliers, preferably five. If there are less than three bidders at the regional or Quebec provincial level, and if their prices are competitive, submissions may be limited to those bidders, thus foregoing the minimum of three.
- For any purchase over fifty thousand dollars (\$50,000+), a public call for tenders is to be undertaken.
- In all cases, the *Politique sur les marchés publics* of the government of Quebec must be respected.
- Equivalent products offered by various suppliers are proposed to the requesting administrative unit, which must provide justification when not choosing the best price quoted. On the basis of the submissions received, the requesting administrative unit will decide whether it recommends to the College to proceed with the purchase.
- The person responsible for the designated budget must approve the resulting requisition before it is sent to the suppliers.
- It is a good idea to remind everyone that the acquisition of goods on behalf of the College, outside the procedures requiring prior requisition, is prohibited except in

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case of an emergency or an exceptional situation and then, only with the approval of the person responsible for the designated budget.

- Goods acquired, including donations, remain in the inventory file until they are cancelled, eliminated or sold.