



<b>Category:</b>	<b>Finance</b>
<b>Approved By:</b>	<b>College Leadership Council (CLC)</b>
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<b>Policy Sponsor:</b>	<b>Vice President Corporate Services and Chief Financial Officer</b>
<b>Policy Administrator:</b>	<b>Director Financial Services</b>

## **Procurement Policy**

### **Purpose**

The purpose of this policy is to ensure the Lethbridge College procurement system works effectively in order to maintain community partnerships, project a positive image and goodwill, as well as to protect the legal and financial interests of the Lethbridge College.

### **Scope / Limits**

This policy applies to all employees and contracted suppliers that have the authority to make or approve procurements or have authority to commit Lethbridge College funds. This policy is limited by applicable laws governing the sales of goods and services, competitive bidding, and contracts.

### **Definitions**

**Employee** is any person on the payroll of Lethbridge College.

**Procurement** is the acquisition of goods and/or services through a defined process and criteria. Procurement involves the full process from tender to contract execution to delivery of goods and/or services.

**Procurement system** refers to the procedures and tools used to make purchases.

**Capital Asset** is an individual item in excess of \$5,000 that has a useful life of more than one year.

### **Policy Statements**

1. Lethbridge College strives to operate Procurement Services which allow for competitive procurement by practicing high standards of business ethics, professional competency, confidentiality and integrity with suppliers and contractors.
2. Persons procuring on behalf of Lethbridge College are required to abide by all applicable provincial and federal laws, all relevant Lethbridge College policies, and the Code of Ethics set out by the Supply Chain Management Association (SCMA).

3. All types of procurement must have the proper authorization before purchase commitments can be made or the competition process can begin.
4. Lethbridge College, as a publically supported institution, endeavors to utilize its funds in the most efficient fashion to provide advantages of economy, standardization, appropriate accounting treatment and protection against waste.
5. In situations of a specialized nature, Lethbridge College may be restricted for reasons of compatibility, preferred brands, standardization or urgency. In such cases where sole sourcing is necessary, Lethbridge College will act in its best interest.
6. In situations of all things being equal, preference will be given to local suppliers.
7. Substantiated cases of failure to follow this policy may be cause for disciplinary action up to, and including, termination and/or legal action.

## **A: Policy Supports**

[Procurement Procedures \(Appendix A\)](#)

## **B: Legislated References**

Agreement on Internal Trade (AIT)  
Canada Free Trade Agreement (CFTA)  
Canadian European Trade Agreement (CETA)  
Freedom of Information and Protection of Privacy (FOIP) Act of Alberta  
New West Partnership Trade Agreement (NWPTA)  
North American Free Trade Agreement (NAFTA)  
Trade Investment and Labour Mobility Agreement (TILMA)

## **C: Other References**

Supply Chain Management Association (SCMA)

## **D: Related Policies**

Banking  
Lethbridge College Code of Conduct  
Confidentiality  
Corporate Credit Card  
Donations and Fundraising  
Physical Resources  
Travel, Meal and Hospitality Expenses and Public Disclosure  
Board of Governors Executive Limitations:  
    EL-5 Asset Protection



<b>Parent Policy:</b>	<b>Procurement</b>
<b>Effective Date:</b>	<b>November 15, 2018</b>
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<b>Policy Sponsor:</b>	<b>Vice President Corporate Services and Chief Financial Officer</b>
<b>Policy Administrator:</b>	<b>Director Financial Services</b>
<b>Appendix A</b>	

## **Procurement Procedures**

### **Part A: Responsibilities**

All Procurement Services employees and other employees involved in procurement are responsible for understanding and complying with these policies and procedures.

1. Budget managers/initiators are responsible to:
  - a) approve requisitions that fall under their budget code;
  - b) check Colleague regularly for requisitions that are awaiting their approval;
  - c) ensure that sufficient funds are available to make the purchase; and
  - d) review the requisitions for proper coding.
2. Procurement Services is responsible to:
  - a) assist the requisitioner in developing specifications;
  - b) assist the requisitioner with information about sources of supply;
  - c) manage quotation requests and the bid process for selection of the most appropriate source of supply;
  - d) establish and conduct negotiations with successful bidders;
  - e) communicate with suppliers for information prior to and during the procurement process;
  - f) update the requisitioner with information relative to price, quality, and delivery of a requisitioned item during the procurement process; and
  - g) retain all records pertaining to negotiations or purchase decisions.

### **Part B: Delegation of Procurement Authority**

Financial Services is responsible to manage the college's procurement system and maintain a system of internal control to protect all stakeholders.

1. The Procurement Manager may delegate procurement authority to decentralized areas with the approval of the Director, Financial Services. The Decision Matrix must be followed in all other circumstances.
2. Those areas with delegated procurement authority are subject to policy compliance and verification by the Procurement Coordinator.

- Any department level purchasing procedures differing from the Procurement Policy must be approved by the Vice President Corporate Services and CFO.

## Part C: Decision Matrix (Approvals)

- All purchase requisitions or purchase card logs must have the proper authorization before procurement commitments can be made or the competition process can begin.
- Signing authorities on approved budgets are as follows:

<b>Expenditure Amount</b>	<b>Authorizing Signature</b>
<b>\$0-\$24,999</b>	Budget Manager has authorized approval.
<b>\$25,000-\$74,999</b>	Budget Manager is to recommend, but approvals are with CLC members.
<b>\$75,000 - \$149,999</b>	CLC members recommend, but approvals are with appropriate ELT member.
<b>= &gt; \$150,000</b>	ELT member to recommend, plus the approval of the President or Vice President Corporate Services and CFO
<i>(Requisitions over \$150,000, which are initiated by Vice President Corporate Services and CFO, require approval of the President)</i>	
<b>*These limits exclude lease agreements and contracts that commit Lethbridge College financially to more than one budget year.</b>	

## Part D: Purchase Value Limitations

- Lethbridge College operates within the rules of the Trade, Investment and Labor Mobility Agreement (TILMA)/the North West Partnership Trade Agreement (NWPTA). The chart below reflects the buying obligations under these agreements.

<b>Goods and Services</b>	<b>Price Quotes</b>
<b>Purchase Value</b>	
<b>&lt; \$5000</b>	Quotes Recommended
<b>\$5,000 – \$74,999</b>	3 Written Quotes* Required
<b>=&gt; \$75,000</b>	Competitive Bidding Required

<b>Construction</b>	<b>Price Quotes</b>
<b>Purchase Value</b>	
<b>&lt; \$5000</b>	Quotes Recommended
<b>\$5,000 – \$199,999</b>	3 Written Quotes* Required
<b>=&gt; \$200,000</b>	Competitive Bidding Required

<b>Consulting Services</b>	<b>Price Quotes</b>
<b>Purchase Value</b>	
<b>&lt; \$75,000</b>	3 Written Quotes Recommended
<b>=&gt; \$75,000</b>	Competitive Bidding

\*Purchase of an individual item over \$5,000 is considered a capital purchase and must be treated as such. Please see Section F (RFD Request for Decision) procedure for information on Capital purchases.

2. In addition to the limits noted above, circumstances may arise where sole-sourcing a supplier for goods and services or consulting services is required. Approvals reside with the Vice President Corporate Services & CFO. Items over \$250,000 are reported to the Finance and Audit Committee for information. However, the waiving of competitive tendering procedures should not be used to avoid competition, or for administrative convenience, or to award further work to a consultant originally appointed through a competitive process.

Formal tendering and quotation procedures may be waived in the following circumstances:

- I.) Where the requirement is covered by an existing contract either through Lethbridge College Procurement or the Lethbridge Public Purchasing Consortium (LPPC).
- II.) Where timescale genuinely precludes competitive tendering. Failure to plan the work properly is not justification for a single tender.
- III.) Where special expertise is required and only available from one source.
- IV.) When the task is essential to complete the project and arises as a consequence of a recently completed assignment and engaging different vendors for the new task would be inappropriate.
- V.) There is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage that may be gained by competitive tendering.

Click [here](#) to access the Request Waiver of Tendering/Quotation Procedure form.

## **Part E: Procurement Principles**

### **Conflict of Interest**

College employees are responsible to identify and disclose all conflicts of interest as per the Lethbridge College Code of Conduct Policy. Employees must not enter into an agreement, contract or obligation with a vendor where an apparent conflict exists or is perceived to exist without the approval of their immediate supervisor.

1. Possible conflicts of interest may include, but are not limited to:
  - a) an employee acting as both seller and purchaser in the same transaction(s) (goods or services may be involved);
  - b) an employee who enters into business negotiations on behalf of Lethbridge College with close relatives or members of his/her immediate household;

- c) situations in which an employee could influence decisions in which a relationship of any kind exists with those involved outside the college; and
- d) situations in which an employee is (or expects to be) retained as a paid consultant or contractor by an organization seeking to do business with Lethbridge College, or whenever a transaction will entail a payment of money or anything else of value to the staff member, a close relative or a member of that person's household.

### **Unauthorized Purchases**

1. No individual has the authority to enter into procurement contracts or in any way to obligate Lethbridge College for procurement indebtedness unless specifically authorized to do so by the President and Chief Executive Officer (CEO), the Vice President Corporate Services and Chief Financial Officer (VPCS & CFO), the Director Financial Services or the Procurement Manager.
2. Firms ordinarily doing business with the college are advised that all purchases chargeable to Lethbridge College must be authorized by an official purchase order signed by an authorized individual. Exclusive of the petty cash form, invoice payment, or procurement card. The college will not reimburse employees for the cost of such purchases on behalf of the college unless previous arrangements have been properly made and approved.
3. The college will not purchase any supplies or equipment for the personal use of employees or students.
4. Employees must not use college purchasing power to influence vendors for personal purchases or gain outside of the institution.

### **Gifts and Gratuities**

1. No gifts, beyond those of an advertising nature and insignificant value, generally distributed to all potential customers, may be accepted by Lethbridge College. Any acceptance of gifts in the form of cash, gift certificates of any amount or the acceptance of entertainment is prohibited.

## **Part F: Initiating a Purchase**

The following section describes how to request access to the purchasing requisition system as well as the various methods to procure goods and services.

### **Purchasing Requisition System Access**

1. The [User Access form](#) must be submitted to the Manager of Accounting Services.
2. When all documentation has been processed, an orientation and instruction session will be arranged by Procurement Services.
3. Access is delegated to an individual user and not to a department or division.

4. Budget Managers must inform the Manager Accounting Services when a user of the on-line system is transferred or terminated at which time their access is removed.
5. [Capital Request for Decision \(RFD\) forms](#) must be completed and presented to College Leadership Council (CLC) for approval. After approval of capital funds is given, the process to acquire the goods or services through Procurement Services can commence. The approved capital RFD form includes the amount that has been approved for as well as the account number to use on the electronic requisition and an RFD# that will help purchasing identify approved funds. Assistance with quotes or supplier information can be obtained through Procurement Services.

## **Part G: Methods of Procurement**

The following section describes the various methods of procurement available.

### **Requisitioning/Purchase Orders**

To initiate a purchase, an electronic purchase requisition must be created and approved by the appropriate approver (responsible person for that G.L. Code). From the approved requisition, Procurement Services will source the required items and select an appropriate vendor and will issue an official Lethbridge College purchase order to the vendor.

### **Blanket Orders**

A blanket purchase order can be issued from Procurement Services for purchases or services related to ongoing orders or ongoing payments thru a fiscal year. An amount or number of payments can be withdrawn from one lump sum to cover expenses over one fiscal year.

### **Procurement and Corporate Credit Cards**

The procurement card program is used to facilitate the acquisition of lower cost operational goods and services, the authorized procurement card program may be utilized as an alternative to the requisitioning/purchase order process.

Corporate credit cards are used to facilitate the operational needs of employees whose role requires a significant amount of travel.

### **Request a Payment/Invoice Payment**

The Request a Payment function on Webadvisor is to be used for goods and services that are unforeseen or not able to be planned for in day-to-day operations. This function allows you to reimburse vendors or employees for emergency supplies or out-of-pocket expense that is outside the procurement cycle. For example: reimbursements, travel or emergency repairs.

### **Petty Cash**

Petty cash vouchers are limited to \$100 per transaction and are used to reimburse employees for small, miscellaneous out-of-pocket expenses incurred for college business purposes (for example, on-campus hospitality, postage, or miscellaneous out-of-pocket expenses under

\$100). A petty cash fund must not be used to hold IOUs or to cash checks for employees, pay honorariums, pay travel expenses (for example, hotel, fuel, meals off-campus). An [expense claim](#) must be used for this purpose. Petty cash funds cannot be used for purchases that conflict with this or any other college policy.

## **Delivery Driver**

Lethbridge College Procurement Services has a driver/buyer who will procure goods for college departments from local suppliers including pick-up and delivery. This alleviates the need for users to leave the campus to acquire goods. The driver can be contacted through the Procurement Department or directly by phone at (403)-308-9841

## **Part H: Contracted or Standardized Procurement**

The following section describes specific commodities that are commonly purchased by Lethbridge College and require approval or consultation with the appropriate service area.

### **Cell phones and mobile devices** ([Cellphone procedures](#))

1. Lethbridge College has two cell phone user groups:
  - a) The **"College Requires" User Group** is the group which Lethbridge College has deemed necessary for the college to own devices and pay for the monthly services charges associated with these devices for those employees that a mobile device is necessary for them to do their jobs. This group has been approved in advance by the appropriate CLC member.
  - b) The **"College Supports" User Group** is the group of users that has also been approved by their manager and a CLC member for an allowance or a reimbursement for their personal cell phone bill. This group of users is responsible for their own equipment and provider plan. Lethbridge College is not responsible for a personal phone if it is lost, stolen or damaged while conducting business activity. Individuals eligible for receipt of an allowance should understand that they are personally liable for monthly charges or termination fees, regardless of employment status or any change in this reimbursement procedure.
2. Both user group approvals can be obtained by filling out a [cellular reimbursement request form](#).
3. All technical support for cell phones is provided by the service provider chosen by the employee.
4. Information Technology Services (ITS) provides support for college software that is used on those devices to synchronize them with college email accounts and calendars.

### **Consortium / Cooperative Purchasing**

The college participates in cooperative buying when it is judged to be advantageous. Examples are: stationary supplies, courier services, electronic ballasts and lamps for lighting, and elevator maintenance.



## **Hardware, Software or Electronics**

1. All departmental purchases of hardware or software must be provided approval through the Information Technology Services (ITS) help desk before being requisitioned for purchase.
2. When completing a requisition Procurement Services must be provided with documentation that approval has been given from ITS to proceed with the purchase. This is to make sure all systems and equipment are compatible and avoids any breach of existing contracts.
3. Purchase of software, hardware, and electronics must only be acquired through Procurement Services and the requisitioning system.

## **Internal Gift Card Purchases Request**

1. An [Internal Gift Card Purchases Request form](#) must be completed to obtain a college gift card for advertising/promotional use by charging it to a college account.
2. Gift cards are for presentation to external parties. Under Canada Revenue Agency regulations, gift cards given to employees for personal use are considered taxable benefits.

## **Name Tags and Name Plates**

The [Name Tags/Plates order form](#) must be completed to order these items.

## **Prepaid Purchases**

This option should be used on licensing agreements, advertising or subscriptions that need to be paid in advance of receiving the goods or service. The department's business analyst should be consulted for details on this process.

## **Reprographics - Grenville Printers**

Lethbridge College reprographics is provided by Grenville Printing which is located in PA1150. Due to contractual obligations, it is mandatory to consult with Grenville before going outside the college for reprographic needs.

## **Systems Contract Purchasing**

Systems contracts are set up for direct order by department and next day delivery for most items. These purchasing systems reduce administrative costs.

## **Text Book and Book Buying**

Users can contact the Bookstore directly for purchases of text books, manuals or educational books.

## **Travel**

Refer to the policy that governs travel, meal and hospitality expenses and public disclosure for guidance when booking travel.

## **Part I: Shipping and Receiving**

The following section describes the shipping and receiving functions.

### **Receipt of Supplies or Equipment**

1. With few exceptions, all purchased goods will be delivered to the Shipping and Receiving Department.
2. In the following instances, the Shipping and Receiving Department must be notified by the recipient of goods covered by way of a purchase order:
  - a) materials that are delivered by the supplier directly to the requestor, by-passing the receiving dock; and
  - b) materials picked up by the using department from a local supplier.
3. Shipments that do not have a Lethbridge College purchase order number upon arrival at the Shipping and Receiving Department will be held until the proper authorizations have been done by the requesting department. This action may delay receipt of the shipment or the items may be sent back to the vendor.
4. All packing lists and bills of lading must be forwarded to the Shipping and Receiving Department to be filed as a permanent proof of delivery.
5. Cash on Delivery (COD) deliveries will not be accepted.

## **Part J: Returns, Claims, Surplus Equipment and Disposal**

This section outlines the returning of goods for exchange credit or damages and the disposal of surplus equipment and environmental disposal.

### **Return of Supplies or Equipment**

1. Supplies or equipment obtained with a Lethbridge College purchase order to be returned to a supplier for credit, adjustment or replacement must be processed through Procurement Services.
2. For transactions made with the Lethbridge College procurement card, the requestor should deal directly with the supplier. Procurement Services need not be contacted.
3. Credit memos received which cannot be identified with returns will receive disposition at the discretion of the Director of Financial Services.
4. Procurement card credits will be made directly to requestor's procurement card account.
5. When an item is shipped from the Lethbridge College campus for return, repair, or any other reason requiring reimbursement of college funds, the user must notify Procurement Services who will contact the supplier for a return authorization number or (RA#) and will work with the end user to coordinate the return and replacement of the items. For credit card purchases, the supplier should be contacted directly.

6. When returning EWay stationary purchases, the college department can contact EWay customer service @ 1-877-272-2121 to obtain RA #. Then the items can be taken to Shipping and Receiving along with the RA# and Shipping and Receiving will return the items.
7. The responsibility for proper packaging and original boxes remain with the department.

### **Claims Involving Damages or Shortages**

1. Notice of damages or shortages identified by the Shipping and Receiving Department are directed to Procurement Services immediately.
2. The requestor will be contacted for shipments initiated with the Lethbridge College procurement card.
3. In the case of damage or shortages undetected by the Shipping and Receiving Department, the claimant should contact the Shipping and Receiving Department promptly [within one (1) working day] if corrective action needs to be taken. Failure to keep packing materials will most likely void any chance of obtaining a claim.

### **Disposal of Supplies, Equipment and Capital Assets**

1. The Procurement Coordinator must be contacted when a department has an item for disposal. To ensure proper management of inventory asset records, the Procurement Coordinator requires an itemized list of the goods to be disposed of including any inventory numbers or markings on the equipment.
2. The Procurement Coordinator will determine current value of items and then decide to proceed with a public auction, advertised sale to an end user, or disposal.

### **Surplus Equipment/Furniture**

1. Users must contact Facilities Management to have surplus equipment or furniture removed from a department.
2. Users can contact Facilities Management in regard to access to the inventory of surplus equipment or furniture for use in their department.

### **Surplus or Obsolete Information Technology (IT) Equipment**

1. Users must contact the help desk ext.3333 to have obsolete IT equipment removed from the department. IT will find a need for it on campus or dispose of it through public auction or through the electronics recycling program.
2. If equipment is or was a capital asset, the [Disposal of Capital Assets form](#) must be completed by the user.