



## PROCUREMENT PROCEDURE

**Final Approval Body:**

**Senior Administrative Position with Responsibility for Procedure:** Vice-Principal, Finance and Administration

**Date Initially Approved:** 3/5/12

**Date of Last Revision, if applicable:** 5/1/17

### PURPOSE OF PROCEDURE

This procedure describes how to purchase goods and services on behalf of Queen's.

### PROCEDURE

#### Section 1: Determining Requirements

Follow these two (2) steps prior to ordering or receiving goods and/or services to ensure efficient and compliant processes.

Step 1: Identify your requirements and specifications for a good or service. If you are planning to purchase a service (rather than a product/good), determine if it is Consulting or Professional Services. See above for Definitions.

Step 2: Determine the anticipated TCV of your purchase to determine the proper procurement process. Check to ensure there are sufficient funds available to pay for the purchase. If a multi-year agreement is required, check that there will be adequate funds available for the entire term of the agreement.

#### Section 2: Procurement Process

Required procurement processes are determined by the TCV of the purchase, as outlined in the Procurement Policy under Purchasing Thresholds.

#### Consulting Services

- **For consulting services with a TCV up to \$121,200 CAD:**
  - For all consulting services with a TCV up to \$121,199.99 CAD, units must complete an invitational competitive process to obtain the required number of quotes as outlined in the Procurement Policy. Units can decide on the suppliers they wish to solicit the required number of quotations from.
  - All consulting services are to be processed by entering a non-catalogue PR to generate a PO in acQuire.
  - Supporting documentation is to be attached to the PR to support the purchase.

- As per the regulations of the Building Ontario Business Initiative Act (BOBIA), 2022, procurements for services under \$121,200 CAD TCV, require that preference be given to Ontario businesses. Preference can be done either by:
  - Only inviting Ontario businesses to provide a quote; or
  - Allocating a 10 percent evaluation advantage to Ontario businesses with 90 per cent for lowest price. An ITQ template is available on SPS SharePoint Hub, which has the evaluation structure outlined in it.
- Service cannot commence until SPS has issued a PO to the successful supplier. The successful quotation should be attached as an external attachment in acquire so that it gets distributed with the PO. All supporting documents, including quotes not selected, should be attached in acquire to show compliance to the Procurement Policy.
- **For consulting services with a TCV greater than \$121,200 CAD:**
  - An open competitive procurement is **mandatory**.
  - SPS is responsible for running an open competitive procurement on behalf of the university. Typically, an RFP or RFSQ will be used for open competitive procurements.
  - As a Broader Public Sector (BPS) organization, Queen's is required to review whether a collaborative contract is available for the service required prior to the university tendering. All collaborative contracts used by Queen's must be handled by SPS.
  - Open competitive procurements are publicly posted on [Biddingo](#) (an online competitive bid system) for interested suppliers to view and respond. Competitive procurements are posted for a minimum of twenty-five (25) days, in accordance with the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), Article 19.10.
  - Planning is essential to allow for the proper project management of complex competitive bids. Queen's units should plan for a minimum of sixteen (16) weeks to complete a competitive procurement.
  - All consulting services are to be processed by entering a non-catalogue PR to generate a PO in acquire.

### **Goods and Non-Consulting Services**

- **For goods or non-consulting services with a TCV up to \$24,999.99 CAD:**
  - For purchases up to \$24,999.99 TCV, an invitational quotation should be sent to a minimum of one supplier for a response to confirm price, delivery, and other important ordering information.
  - Purchases are to be processed either through:
    - The acquire catalogue (if the product is available);
    - By entering a non-catalogue PR and generating a PO in acquire;
    - The goods/services can be paid for directly using a payment form in acquire; or
    - Charged to a Queen's PCard.
  - Canada Foundation for Innovation (CFI) funded purchases must be processed using a non-catalogue PR, and formatted in accordance with [CFI quoting guidelines](#), regardless of value.
  - Supporting information should be attached to support the purchase.

- As per the regulations of the Building Ontario Business Initiative Act (BOBIA), 2022, procurements of goods and services under \$121,200 CAD TCV, require that preference be given to Ontario businesses. Preference can be done either by:
  - Only inviting Ontario businesses to provide a quote; or
  - Allocating a 10 percent evaluation advantage to Ontario businesses with 90 per cent for lowest price. The ITQ template is available on SPS SharePoint Hub, has the evaluation structure outlined in it.
  
- **For goods or non-consulting services with a TCV up to \$121,200 CAD:**
  - For purchases with a TCV between \$25,000 to \$121,199.99 CAD, units must complete an invitational competitive process to obtain the required number of quotes as outlined in the Procurement Policy. Units can decide on the suppliers they wish to solicit the required number of quotations from.
  - Purchases for goods or services between \$25,000 and \$121,199.99 CAD, are to be processed either by:
    - The acQuire catalogue (if the product is available); or
    - By entering a non-catalogue PR and generating a PO in acQuire.
  - Supporting documentation is to be attached to the PR to support the purchase.
  - As per the regulations of the Building Ontario Business Initiative Act (BOBIA), 2022, procurements of goods and services under \$121,200 CAD TCV, require that preference be given to Ontario businesses. Preference can be done either by:
    - Only inviting Ontario businesses to provide a quote; or
    - Allocating a 10 percent evaluation advantage to Ontario businesses with 90 per cent for lowest price. The ITQ template is available on SPS SharePoint Hub, has the evaluation structure outlined in it.
  - Goods cannot be delivered, nor services commenced until SPS has issued a PO to the successful supplier. The successful quotation should be attached as an external attachment in acQuire so that it gets distributed with the PO. All supporting documents, including quotes not selected, should be attached in acQuire to show compliance to the Procurement Policy.

**For goods or non-consulting services with a TCV greater than \$121,200 CAD:**

- An open competitive procurement is **mandatory**.
- SPS is responsible for running an open competitive procurement on behalf of the university. Typically, an RFP or RFSQ will be used for open competitive procurements.
- As a Broader Public Sector (BPS) organization, Queen's is required to review whether a collaborative contract is available for the good or service required prior to the university tendering. All collaborative contracts used by Queen's must be handled by SPS.
- Open competitive procurements are publicly posted on [Biddingo](#) (an online competitive bid system) for interested suppliers to view and respond. Competitive procurements are posted for a minimum of twenty-five (25) days, in accordance with the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), Article 19.10.
- Planning is essential to allow for the proper project management of complex

competitive bids. Queen's units should plan for a minimum of sixteen (16) weeks to complete a competitive procurement.

- All purchases within this threshold are to be processed by entering a non-catalogue PR to generate a PO in acQuire.

Where the university has not entered into a contract with the supplier, Queen's PO T&Cs will govern the purchase.

For values greater than \$10,000 CAD (exclusive of taxes), a duly authorized PO must be sent to a supplier prior to the commencement of service or receipt of goods.

### **Preferred Supplier Programs:**

Queen's University has several Preferred Supplier programs in place to assist Queen's departments with efficient purchasing of regular, required goods and/or services used across the institution. If you are purchasing a good or service that a Preferred Supplier can offer, these agreements should be considered first prior to soliciting from a non-Preferred Supplier. These programs resulted from open, competitive procurement processes either run by Queen's or a GPO. Note, all contracts available through GPOs must be handled by SPS.

When buying from Preferred Supplier programs, multiple quotations may not be required. This can be confirmed by reviewing the program details and threshold requirements noted on the Preferred Supplier webpages. In most cases, use of these agreements will reduce delays and ensure compliance with procurement legislation as the competitive process has already been run.

### **Section 2.1: Soliciting Quotations**

When soliciting quotations from selected suppliers below the open competitive procurement threshold, keep the following in mind:

- Keep the request simple – it does not need to be issued as a formal document. An email is sufficient in some cases. An ITQ template is available on the SPS SharePoint Hub for Queen's units to use. It is strongly suggested that quotes be requested in writing (not verbal). The amount of information asked for should reflect the complexity of the purchase.
- All suppliers contacted for a quote should receive the same information and be provided with sufficient time to respond.
- All quotations should include the following, at minimum (as applicable):
  - Price;
  - Description of goods including part numbers;
  - Description of services;
  - Quotation expiry date;
  - Delivery terms: Delivery Duty Paid (DDP) Queen's;
  - Quantity; and
  - Queen's posted payment terms (see Section 5).
- Where a Queen's department receives multiple quotations and the values are in different threshold ranges, an average of the quotes will determine the proper sourcing method. For example, the department receives quotes with values of \$95,000, \$120,000, and \$150,000 = an average of \$121,667 which indicates that the value is over the \$121,200 threshold. In this case, this purchase would need to follow an open, competitive procurement method (public tender).

When averaging quotes, ensure 'like purchases' are being compared.

## Section 2.2: Sustainable Procurement

What we buy and how we buy it can have an enormous impact on the environment, our community and its people. For all purchases, we ask that units consider the following:

- Are the goods/services necessary?
- Are the same goods/services or a reasonable alternative already on campus and could we use or borrow them (for example, an enterprise software license, or a piece of equipment that is no longer needed by a unit and can be repurposed to another group)?
- Will other units need what I'm buying too? Could we buy together to share expenses, delivery impact, etc.?
- Can we make choices that have favourable, or more favourable environmental impacts?
- Are we able to buy from a [Diverse or Indigenous Supplier](#)?
- Are we conscious of ethical factors around what we're buying, for example do the suppliers we use pay fair wages?
- Are we ensuring that we are not buying from suppliers that engage in forced or child labour practices?
- Do our suppliers also have documented sustainable, social and ethical practices in place? Are they engaged and working towards Truth and Reconciliation?

Resources:

- Truth and Reconciliation Commission of Canada: [Calls to Action #92](#)
- [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#)
- [Accessibility for Ontarians with Disabilities Act](#)

## Section 3: Contracts

A PO is considered a contract with standard T&Cs that are sent to the supplier. In most cases, the PO T&Cs are sufficient for the purchase, however there may be a need to have a more formal contract in place to ensure certain coverages for both Queen's and the supplier. If that is the case, information contained here should be followed.

All contracts must be executed in accordance with the University's Policy on Approval and Execution of Contracts and Invoices, including Board of Trustees approval, if applicable.

For goods and services contracts under \$121,200 CAD TCV, Queen's departments are responsible for reviewing and ensuring that they meet the university's requirements, along with the BPS Procurement Directive. Items that need to be included in contracts:

- The university's legal name: Queen's University at Kingston;
- Payment of invoices along with the frequency: for example, upon completion; weekly, monthly, based on milestone, etc.;
- Adherence to Queen's posted payment terms (see Section 5: Payment Terms);
- Dispute resolution process;
- Clearly stated scope of work and any delivery milestones to be achieved;
- Adherence to the BPS Expense Directive (see Section 4) – permitted expenses that the university will reimburse for, should be outlined in the contract;
- Delivery terms: Delivery Duty Paid (DDP) Queen's;

- Insurance – minimum requirements are \$2M Commercial General Liability (CGL); Queen’s University at Kingston should be listed as the certificate holder and additional insured on the Certificate of Insurance. Any questions regarding insurance should be directed to [Queen’s Insurance & Risk Management](#);
- Relevant Privacy and Security language (keeping in mind that a Risk Impact Triage and Security Assessment Process should be undertaken with the IT Services prior to contract finalization);
- Start and end date of the term – cannot be ongoing without a defined period (e.g. auto renewal);
- Extension term; and
- Termination clauses.

Contracts must be signed by both parties. For Queen’s contract signing authority, the University’s [Policy on Approval and Execution of Contracts](#) and Invoices must be followed based on the TCV.

**Section 4: Allowable Expenses**

With the introduction of the BPS Expenses Directive on April 1, 2011, certain expenses are not allowable for Suppliers, Consultants, or Contractors doing work for Queen's University.

In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors in any contract between Queen's University and a Supplier under the rules of the Broader Public Sector Expenses Directive 2011 (Ontario), sections 4.6 and 5F. Therefore, suppliers cannot claim or be reimbursed for such expenses, including:

- Meals, snacks and beverages (including alcohol)
- Gratuities
- Laundry or dry cleaning
- Valet services
- Dependent care
- Home management
- Personal telephone calls

Reimbursement for allowable expenses can be claimed and reimbursed only when the contract specifically provides for it.

**Section 5: Payment Terms**

Payment Method	Details	Term
Visa Payable Automation (VPA) <sup>1</sup>	An automated payment process utilizing a virtual Visa card.	Net 0-7 days from invoice approval
Electronic Funds Transfer (EFT)	An electronic method of remittance – a deposit from one bank to another. Account	Net 60 days from invoice date
Automated Clearing House (ACH)		

<sup>1</sup> The university considers merchant fees a cost of business. The expectation is this fee is not charged back to Queen's for suppliers to accept VPA as a payment method. The benefits of accepting VPA on an accelerated payment term are available on [our website](#).

	information is provided to deposit funds.	
Wire/Bank Draft – International Suppliers only	Bank to bank transfer allowing one institution to turn a message or document into a fund collection.	Net 60 days from invoice date
Cheque – CDN/US/International (where supplier cannot accept above listed remittances)	A document that orders a bank to pay a specific amount of money from one account to another.	Net 60 days from invoice date

SPS understands that there are some circumstances in which these payment terms cannot be accepted. Suppliers are asked to contact SPS Management to discuss these situations further.

**Section 6: Reporting Requirements**

SPS is required to report on the university’s goods and services spending. Reporting requirements are as follows but not limited to:

- Freedom of Information (FIPPA) requests;
- Various provincial and federal government agencies;
- CFTA reporting of LTE procurements greater than treaty thresholds – posted to Bidding; and
- Board of Trustees:
  - Total overall spend of \$10,000,000 per supplier annual reporting; and
  - Limited Tender contracts with TCV greater than \$2,500,000 but less than \$5,000,000 CAD.

**DEFINITIONS**

"acquire" is Queen’s University’s cloud-based e-procurement software application.

"Broader Public Sector" ("BPS") is an organization that receives funding from their provincial government, but they are not a part of the government itself. Examples include hospitals, universities, colleges, and school boards.

"Bid" is a supplier’s response to Queen’s University’s request either via an invitational or competitive process. Bid is also referred to as a quotation or submission.

"Catalogue" is a process to create a purchase requisition(PR)/ purchase order (PO) for product or service in acquire to suppliers who have been set up to provide Queen’s specific product, service or pricing.

"Collaborative Contracts" is where two or more organizations use their purchasing power to try to obtain more buying leverage. Contracts available to Queen’s are either offered through the provincial government or a GPO. Queen’s either needs to be a member of the GPO or a named participant to access/use these agreements.

"Competitive Procurement" is the purchasing process by which potential suppliers are invited

to bid on the supply of goods or services. This could either be by invitation (e.g. soliciting quotes from specific suppliers) or an open process (e.g. RFP).

“Consulting Services” is the provision of expertise or strategic advice that is presented for consideration and decision making.

“Group Purchasing Organization” (“GPO”) is an organization that leverages the purchasing power of its members while reducing procurement costs for its members.

“Invitation to Quote” (“ITQ”) is a Word template for Queen’s community users to use when soliciting quotations from suppliers. Template ensures compliance with various legislative requirements.

“Non-Consulting Services or Professional Services” are services provided by individuals or firms possessing the necessary professional licenses, certifications, or training to undertake work within their specialization to contribute to normal operations (in their regulated capacity) or to defined and approved projects. Some examples include licensed professionals such as Chartered Professional Accountants, Professional Engineers, Medical Doctors, Lawyers, Architects and particular specializations from IT professionals.

“Preferred Supplier” is a company who has qualified through a competitive process with whom the university has a formalized relationship for a set of goods or services, but one that is not necessarily exclusive. Also referred to as a Vendor of Record (VOR).

“Procurement Credit Card” (“PCard”) is a university authorized credit card assigned to an authorized cardholder to allow the purchase of goods and services up to \$10,000 CAD, inclusive of taxes.

“Purchase Order” (“PO”) is a legal contract that formalizes an order for goods or services. This is a document generated only by Strategic Procurement Services from an approved PR.

“Purchase Requisition” (“PR”) is a request to purchase goods or services whereby required approvals are obtained prior to ordering. PRs must be completed prior to the receipt of a good or the commencement of service. A fully approved PR becomes a PO.

“Request for Proposal” (“RFP”) is a formal document used to request suppliers to supply solutions for the delivery of products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

“Request for Supplier Qualifications” (“RFSQ”) means a document used to gather information on supplier capabilities and qualifications, with the intention of creating a list of pre-qualified suppliers. This mechanism may be used either to identify qualified candidates in advance of expected future competitions or to narrow the field for an immediate need. Organizations must ensure that the terms and conditions built into the RFSQ contain specific language that disclaims any obligation on the part of the organization to call on any supplier to provide goods or services as a result of the pre-qualification.

“Terms and Conditions” (“T&C”) are considered the legal contract between Queen’s University



and the supplier in the procurement of goods or services.

“Total Contract Value” (“TCV”) is the overall value of a contract with a supplier. It is calculated using all costs associated with the initial term of the contract, plus any potential extensions and including any one time or recurring charges. The total contract value does not include applicable taxes.

**Related Policies, Procedures, Guidelines:**

**Procedures Superseded by this Procedure:**

**Responsible Officer** (senior administrator ultimately responsible):

**Contact:**

**Date for Next Review** (five years from initial approval): *Click or tap to enter a date.*

Please submit your final package to the Secretariat at [policies@queensu.ca](mailto:policies@queensu.ca) .