

Purchase of Materials and Services Policy

Issued By: Finance and Investment Committee

Approved By: Board of Directors

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POLICY STATEMENT

Except as otherwise specifically delegated by the Board of Directors or the President, all purchasing of goods and services for King’s University College (hereby referred to as “King’s”) from all funding sources shall be the functional responsibility of the Finance Department. Other members of the community shall not make any purchases, or commitments to purchase, of any kind other than transactions in accordance with this policy.

PURPOSE

The purpose of this policy is to:

- define the responsibilities and accountability associated with the acquisition of goods and services related to King’s
- define the limits of authority
- define the guidelines that will maximize value for money
- define consistent practices and procedures throughout King’s
- define an open, fair and transparent process

SCOPE

This policy will apply to everyone employed by King’s, at all levels of the organization, regarding purchases and acquisitions of goods and services for King’s.

CODE OF ETHICS

In accordance with the BPS Procurement Directive, effective January 1, 2024, King's formally adopts the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics, as follows:

Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics	
Goal:	To ensure an ethical, professional and accountable BPS supply chain.
I. Personal Integrity and Professionalism	Individuals involved with supply chain activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between BPS organizations, suppliers and vendors. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.
II. Accountability and Transparency	Supply chain activities must be open and accountable. In particular, purchasing and contracting activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient, and effective manner.
III. Compliance and Continuous Improvement	Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

APPROVAL AUTHORITY SCHEDULE (AAS)

Due to the highly technical nature of some areas and lack of available resources, the Finance Department may delegate operational responsibility to budget unit heads while retaining functional authority. Currently, operational responsibility and accountability has been delegated to commit King's to individual expenditures within their Board approved current year budget as follows:

King's Approval Authority Schedule (AAS) for Goods and Non-Consulting Services	
Approval Authority	Procurement Value
Board of Directors	\$1,000,000 +
President in consultation with VP, Finance and Support Services	\$50,000 - \$1,000,000
Director of Libraries	\$0 - \$50,000
Director of Physical Plant	
VP Academic Dean	
Dean of Students	
Director of Enrolment Services and Registrar	\$0 - \$20,000
Director of Information and Technology Services	
Executive Director of Foundation and Alumni and Development	
Associate Dean of Students	\$0 - \$10,000
Director of Campus Ministry	
Director of Communications and Media Relations	
Director of EDID	
Director of Human Resources	

King's Approval Authority Schedule (AAS) for Consulting Services		
Approval Authority	Means of Procurement	Procurement Value
See AAS for Goods and Non-consulting Services above	Invitational Competitive Procurement (min 3 suppliers invited to bid)	\$0 - \$121,200
President in consultation with the VP, Finance & Support Services	Open Competitive Procurement (RFP)	Any value
President in consultation with the VP, Finance & Support Services	Non-competitive Procurement*	\$0 - \$1,000,000
Board of Director	Non-competitive Procurement*	\$1,000,000 +

*Exemption-based only

The procurement values used above are before tax and based on the total value of the contract for its entire contract term. This procurement value must not be reduced or divided in order to circumvent the approval requirements as stated above.

Based on the AASs above, approval must be received prior to commencement of purchasing such good or services.

Except as outlined in the AAS above, delegation of authority to sign purchase requisitions should not exceed \$5,000 and a written notice of this delegation should be provided to the Finance Department.

Any "out of budget" purchases causing the department or budget unit to exceed their total budget requires approval of the VP, Finance and Support Services.

Any "out of budget" request in excess of \$50,000 will require approval from the Budget Committee.

Any "out of budget" request from \$50,000 to \$500,000 will require approval from the President in consultation with the VP, Finance & Support Services prior to commencement of purchasing such good or service. The nature of the emergency/special circumstance and the action taken much be provided to the Chair of the Board of Directors within 48-hours of the Presidents purchasing decision.

A list of emergency/special circumstance purchases will be provided by the VP, Finance & Support Services to the Finance and Investment Committee. This list will include confirmation that all procurement has complied, outlining any breaches of policy with rational(s) and action(s) taken.

Any "out of budget" request in excess of \$500,000 will require approval from the Board of Directors prior to commencement of purchasing such good or service.

King's will only use non-competitive procurement in situations outlined in the exemption, exception, or non-application clauses of applicable trade agreements. Prior to the start of these non-competitive procurements, supporting documentation must be completed and approved by the President in consultation with the VP, Finance and Support Services.

King's will not purchase goods for subsequent resale to individuals for personal consumption or use except through its normal retail operations and the staff computer loan program.

PROCUREMENT THRESHOLDS

The means of procurement will depend on the total procurement value as summarized below.

King's Procurement Thresholds For Goods, Non-Consulting Services and Construction		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 to \$100	Petty Cash	Recommended
\$101 to \$10,000	Purchase Order	Recommended
\$10,001 to \$75,000	2 Quotes	Recommended
\$75,001 to \$121,199	Invitational Competitive Procurement (min 3 suppliers invited to bid)	Required
Over \$121,200	Open Competitive Procurement (RFP)	Required

King's Procurement Thresholds For Consulting Services		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 - \$121,200	Invitational Competitive Procurement (min 3 suppliers invited to bid)	Required
Any value	Open Competitive Procurement (RFP)	Required
Any value	Non-competitive *	Required

*Exemption-based only

The procurement values used above are before tax and based on the total value of the contract for its entire contract term. This procurement value must not be reduced or divided in order to circumvent the competitive procurement thresholds as stated above. The procurement value must include the cost of warranty, maintenance and service agreements.

An open competitive procurement process, such as RFP, must be used where the estimated value of procurement of goods or services is \$121,200 or more. Any exemptions must be in accordance with the applicable trade agreements.

An open competitive procurement process, such as RFP, must be used to procure consulting services irrespective of value. Any exemptions must be in accordance with the applicable trade agreements.

Where invitational or open competitive procurement have been undertaken and less than 3 responses have been received, the VP, Finance & Support Services will decide based on the quotes received, assuming the suppliers are deemed qualified to provide the good and/or service.

King's will only use non-competitive procurement in situations outlined in the exemption, exception, or non-application clauses of applicable trade agreements. Prior to the start of these non-competitive procurements, supporting documentation must be completed and approved by VP, Finance and Support Services.

Consideration should be given to entering into a formal contract for purchases in excess of \$50,000. All contracts in excess of \$50,000 should be identified and will be reported to the Finance and Investment Committee quarterly. All contracts over \$250,000 will be reported by the

VP, Finance & Support Services to the Finance and Investment Committee including the supplier name and amount of the contract.

The use of King's supplied credit cards must comply with the credit card authorization document signed at the time of credit card issuance and this policy.

Except items related to travel and PDF, purchases paid by personal credit cards and cash are discouraged. Where possible an account should be set up and an invoice obtained. When unavoidable, purchases from personal funds will be reimbursed according to this policy and the policy on reimbursement of employees for work related expenses.

GENERAL PROCEDURE

1. The justification of need and the identification of specifications is the responsibility of the department chair/budget unit head in accordance to the AAS above.
2. Except as noted below, purchase requisitions must be authorized by the department chair/budget unit head according to the AAS above and be forwarded to the Purchasing Department with all relevant supporting documentation.
 - Centralized ITS: The acquisition of all Information Technology assets will require the review and signed approval of the Director of Information Technology Services.
 - Centralized Physical Plant: All expenditures that entail alterations or additions to physical plant assets, services or utilities will require the review and signed approval of the Director of Physical Plant.
3. The Purchasing Department will confirm all information submitted, and if acceptable, will create a purchase order based on this policy.
4. Purchase order numbers will be referenced on invoices. Invoices are sent to the department chair/budget unit head for approval. This approval will indicate that delivery has been accepted and the goods or services are deemed to be in acceptable condition. The approved invoice will then be returned to Accounts Payable for payment processing.

Professional services such as banking, investment brokers and counsel, legal counsel and auditors are provided on a continuing basis by the same suppliers. The need for review of on-going professional services will be determined on the recommendation of the appropriate administrator and Board Committee. The Finance and Investment Committee will recommend the appointment of auditors annually to the Board and Membership in time for the annual meeting.

The Finance Department will work together with the King's University College Foundation when suppliers or potential suppliers to King's are to be solicited for donations. However, in no case, shall donations or other gifts given in the past, present, or offered in the future be considered a factor in a purchase decision with the exception of in-kind contributions and partnerships associated with granting agency funded research purchases. Instances where an employee or Director is a supplier or otherwise has a personal stake in the transaction are to be avoided. When such instances are unavoidable, King's policy on conflicts of interest will be strictly followed.

NEW SUPPLIER PROCEDURE

Any department chair/budget unit head approval is for the order details as well as the supplier being used. Purchase orders for new suppliers should be reviewed by the Purchasing Department and a basic supplier inquiry will be performed to ensure that the supplier has a tax registration number and a contact for account inquiries. In the case of major acquisitions or long-term commitments a more formal review will be undertaken by the Purchasing Department.

Where results of informal supplier or product research are insufficient and a more formal process such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) is used, the response must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

In order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions, a Request for Supplier Qualification (RFSQ) can be used to gather information about supplier capabilities and qualifications. The terms and conditions of the RFSQ document must contain language that disclaims any obligation of King's to call on any supplier to provide goods or services as a result of pre-qualification.

OPEN COMPETITIVE PROCUREMENT (RFP) PROCEDURE

1. RFP Documents

The RFP documents will show at a minimum the following information:

- A statement that King's is not obligated to accept the lowest or any bid
- All prices, sales taxes and duties to be shown separately if applicable
- Required in-service or installation date
- Conditions for the return of damaged or non-conforming goods
- Bid submission date and closing time (must be Monday to Friday, excluding provincial and national holidays)
- Evaluation methodology including mandatory, rated and other criteria that will be used to evaluate bids, including the method of resolving a tie and the weight of each criterion
- Explicit requests for alternative strategies or solutions with appropriate evaluation criteria (if applicable)
- A statement that all bids that do not meet the mandatory criteria will be disqualified
- Bid dispute resolution procedures that are compliant with the applicable trade agreements
- The term of the agreement and any options to extend the term

2. RFP Posting

RFP documents will be advertised on Biddingo, an electronic tendering system that is readily available to all Canadian suppliers, and on King's website to allow easy delivery to additional potential suppliers. The minimum response time will be 15 calendar days. A minimum response time of 30 calendar days will be considered for procurements of high complexity, risk and/or dollar value.

3. Bid Collection

Bid submission date and closing time must be clearly stated in the RFP documents. All bids will be kept electronically by the Purchasing Department. If the bid is received after closing, it will be returned.

4. Bid Evaluation

An evaluation team, including the Purchasing Department, will be formed with the responsibilities of developing, reviewing and rating evaluation criteria. The evaluation team will sign a conflict-of-interest declaration and non-disclosure of confidential information agreement. Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.

Evaluation criteria will be developed, reviewed and approved by the evaluation team prior to commencement of each RFP process. Mandatory criterion will be kept to a minimum to ensure

that no bid is unnecessarily disqualified. Alterations to any criteria will be accomplished by means of addendum to the RFP documents.

Suppliers may be requested to provide alternative strategies or solutions as part of their submission, but the evaluation team must establish evaluation criteria prior to commencement of each RFP process. These alternative strategies or solutions must not be considered unless they are explicitly requested in the RFP document.

Each member of the evaluation team will complete an evaluation matrix for each qualified bid, ensuring it is fair, factual, and fully defensible. These evaluation matrices are sent to the Purchasing Department for record keeping purposes.

5. Winning Bid

The bid with the highest evaluation score while meeting all mandatory requirements shall be declared the winning bidder. The evaluation team will not discriminate or exercise preferential treatment.

6. Contract Award Notification

The Purchasing Department must:

- send the award notification to the winning bidder.
- post the contract award notification on Biddingo after the contract with the winning bidder has been executed. The contract award notification must list the name of the winning bidder, agreement start and end dates, and any extension options.
- inform all unsuccessful suppliers about their entitlement to a debriefing and allow 60 calendar days following the date of the contract award notification to request a debriefing.

7. Contract

The decision to enter into a contract with the winning bidder is made according to the AAS above. The decision to make any modifications to the term of the contract is made by the VP, Finance & Support Services

The agreement with the successful supplier will be formalized in a signed written contract before the provision of supplying goods or services commences.

If an immediate need of goods or services exists before the contract is finalized, an interim purchase order can be used. The interim purchase order will include a justification of the decision to use a purchase order as well as an approval by the VP, Finance and Support Services.

The contract must contain at a minimum the following:

- Appropriate approval
- The term of the agreement and any options to extend the agreement.
- Appropriate cancellation or termination clauses
- Payment provisions
 - All invoices must have detailed information in order to warrant payment
 - Any overpayment will be recovered in a timely manner
- Supplier performance management and documentation
 - Any performance issues must be addressed in a timely manner
- Dispute resolution process
- For services
 - Ensure clear objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements and knowledge transfer requirements
 - Ensure all expense claims and reimbursement rules are compliant with the Broader Public Sector Expenses Directive

- Ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses

8. Record Retention

All procurement documentation will be archived for a period of 7 years according to the records retention guidelines.