

1.0 ASSOCIATED POLICY

Procurement of Goods and Services

This procedure applies to all procurement of Goods and/or Services for which a Competitive Bid is required under the Policy and as identified within this Procedure.

2.0 DEFINITIONS

Competitive Bid

The formal process by which potential Suppliers are invited to submit proposal(s) to supply Goods and/or Services to the University.

Contract

Any agreement entered into on behalf of the University with a third party that creates a legally binding obligation, commitment, right or liability for the University, and includes memoranda/letters of understanding or cooperation or letters of intent.

EPACS

Expense Procurement and Contract Services department

Goods and/or Services

includes all equipment, materials, supplies, and/or services acquired from any external party to the university, including; Suppliers, contractors, service providers and/or individuals, exclusive of those Goods and/or Services as indicated for exclusion in item 3.2 of the *Procurement of Goods and Services* policy.

Trade Agreements

For the purpose of this procedure include; *New West Partnership Agreement* (NWPTA); the *Canadian Free Trade Agreement* (CFTA); and the *Canada-European Union (EU) Comprehensive Economic and Trade Agreement* (CETA).

3.0 PROCEDURE ELEMENTS

3.1 The purpose of this procedure is to outline the process for the facilitation and solicitation of a Competitive Bid and to identify the circumstances under which the university may forgo the Competitive Bid process. This procedure also outlines the process to be followed when requesting a Competitive Bid exemption.

3.2 Competitive Bid Thresholds and Valuation

3.2.1 Thresholds

To comply with the Trade Agreements, the University must complete a Competitive Bid and advertise all intended purchases of Goods and/or Services **equal to or greater than** the following thresholds:

- Goods and/or Services of \$75,000 (Canadian)
- Construction Services of \$200,000 (Canadian)

3.2.2 Valuation

- The valuation of Goods and/or Services includes the estimated current value, in Canadian funds, along with all forms of remuneration including premiums, fees, or commissions and any costs for installation, operation or maintenance. (Taxes are not included in the valuation).
- Valuation includes the initial term and all potential extensions of the term.
- Splitting purchases into multiple requests or Contracts to circumvent thresholds is prohibited.

3.2.3 Below Competitive Bid Thresholds

It is highly recommended that any procurement for Goods and/or Services with a valuation greater than or equal to \$25,000 (Canadian) but less than the Competitive Bid threshold, have a minimum of two written quotes. EPACS will assist with the process to solicit quotations upon request.

PROCUREMENT COMPETITIVE BID AND COMPETITIVE BID EXEMPTION PROCEDURE

3.3 Competitive Bid Process

- 3.3.1 The applicable Competitive Bid process is determined in consultation with the initiating/requesting business or academic unit and is facilitated by EPACS. The timeline for completion of the process may vary dependent on the requirements, however, for planning purposes, the process generally can be effectively completed within 120 calendar days.
- 3.3.2 The format and form of Competitive Bid may vary depending on the requirements as determined through the consultation process identified, although the roles, responsibilities and components of the Competitive Bid generally are as follows:

Component	Area(s) Responsible	Notes/Comments
Definition of requirements	Initiating business/academic unit	Includes definition of scope of work and/or projected volumes of goods required, budget estimate, timelines, service level expectations, etc.
Establishment of evaluation criteria	Initiating business/academic unit and EPACS	Includes criteria and percentage allocation for each that will be used to evaluate submitted bids
Identification of evaluation committee membership	Initiating business/academic unit and EPACS	Identifies stakeholders to the specific procurement who will participate in the process as evaluators
Preparation of final Competitive Bid documents	EPACS	Incorporates the requirements definition and related input from the initiating business/academic unit
Posting of Competitive Bid documents	EPACS	University documents posted on Alberta Purchasing Connection (APC)
Competitive Bid closing and submission distribution	EPACS	Accepted bids will be distributed electronically to evaluation committee members.
Competitive Bid evaluation and Supplier selection	EPACS Initiating business/academic unit and evaluation committee members.	Distributed bids will be evaluated and scored against the evaluation criteria posted in the Competitive Bid document.

PROCUREMENT COMPETITIVE BID AND COMPETITIVE BID EXEMPTION PROCEDURE

		EPACS is the office of record and responsible for retaining all bids and evaluation documentation
Award of purchase order and/or contract	EPACS	<p>EPACS contact the successful Supplier to notify award.</p> <p>EPACS (in consultation with initiating business/academic unit) prepare contract documents utilizing University template agreements for procurement where applicable.</p> <p>3rd party agreements and or external agreements may be jointly prepared with initiating business/academic unit and other contributing areas of the university as prescribed by the University's policies and procedures related to contracts.</p> <p>Award notification posted to APC by EPACS</p>
Debriefing and notification to unsuccessful bidders	<p>EPACS and (as may be required)</p> <p>Initiating business/academic unit</p>	EPACS notify unsuccessful bidders and provide written debrief information and/or facilitate debriefing meetings

PROCUREMENT COMPETITIVE BID AND COMPETITIVE BID EXEMPTION PROCEDURE

3.4 Competitive Bid Exemption

- 3.4.1 Requests for an exemption to the Competitive Bid process may be submitted for consideration only within the exemption provisions provided by the Trade Agreements as summarized and specified in the table provided in 3.4.2.
- 3.4.1.1 Requests for exemption are to be made in writing by the initiating business/academic unit senior management and submitted for approval by completing the *Competitive Bid Process Exemption Request Form* located in the university Forms Cabinet.
- 3.4.1.2 Requests will be reviewed by EPACS to determine compliance with the provision descriptions as provided in this Procedure and compliant requests will be recommended for approval to an executive officer of the university.
- 3.4.1.3 If approved, initiating business/academic unit requesting will be notified to proceed with purchase in accordance with Procurement Contract Procedure and/or Procurement Procure to Pay Procedure and EPACS will report approved exemptions to the Board of Governors Audit Committee.
- 3.4.1.4 If not approved, the initiating business/academic unit will be notified by EPACS and the procurement, assuming still required, will proceed to the Competitive Bid process.

3.4.2 Sole Source Exemption Provisions

Provision description	Trade Agreement cross- reference
(a) For products requiring compatibility and/or in respect of proprietary rights including: (i) To ensure compatibility with existing products, or (ii) To recognize exclusive rights, licenses, copyright and/or patent rights, or (iii) To maintain specialized products that must be maintained by the manufacturer or its representative	CFTA Article 513 (b) v and 513 (b) ii
(b) Where there is an absence of competition for technical reasons	CFTA Article 513 (b) iii
(c) For the procurement of Goods and/or Services, the supply of which is controlled by a supplier that is a statutory monopoly	CFTA Article 513 (b) iv
(d) For the purchase of goods on a commodity market	CFTA Article 513 (e)
(e) For work to be performed on or about a leased building or portions thereof that may be performed only by the Lessor <i>(Note: The University is the Lessee in this circumstance)</i>	CFTA Article 513 (b) vii
(f) For work to be performed on property by a contractor according to the provisions of a warranty or guarantee held in respect of the property or original work	CFTA Article 513 (b) vi
(g) For a contract to be awarded to the winner of a design contest	CFTA Article 513 (h)
(h) For the procurement of a prototype of a first good or service to be developed in the course of, and for a, particular contract for research,	CFTA Article 513 (f)

PROCUREMENT COMPETITIVE BID AND COMPETITIVE BID EXEMPTION PROCEDURE

experiment, study or original development but not for any subsequent purchases	
(i) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchase	CFTA Article 513 (g)
(j) For the procurement of an original work of art	CFTA Article 513 (b) i
(k) For the procurement of subscriptions to newspapers, magazines or other periodicals	CFTA Article 513 (b) viii
(l) For additional deliveries by the original supplier of Goods and/or Services that were not included in the initial procurement if a change of supplier for such additional Goods and/or Services: (i) Cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and (ii) Would cause significant inconvenience or substantial duplication of costs for the purchaser	CFTA Article 513 (c)
(m) If strictly necessary, and for reasons of urgency brought about by events unforeseen by the purchaser, the Goods and/or Services could not be obtained in time using open tendering	CFTA Article 513 (d)
(n) If Goods and/or Services are regarding matters of a confidential or privileged nature and the disclosure of those matters through an open tendering process could reasonably be expected to compromise confidentiality, result in the waiver of privilege, cause economic disruption or otherwise be contrary to the public interest	CFTA Article 513 (i)

3.4.3 Competitive Bids are not required for Goods and/or Services as specified in 3.4.3.1.

3.4.3.1 Non-Application

Provision description	Trade Agreement cross-reference
(a) For the procurement of real property, rental of land, existing buildings or other immovable property	CFTA Article 504 (11) e
(b) For financial services regarding the management of financial assets and liabilities (i.e. treasury operations) including ancillary advisory and information services, whether or not delivered by a financial institution	CFTA Article 504 (h) i
(c) For health services or social services	CFTA Article 504 (h) ii
(d) For services that may, under applicable law, only be provided by licensed lawyers or notaries	CFTA Article 504 (h) iii

PROCUREMENT COMPETITIVE BID AND COMPETITIVE BID EXEMPTION PROCEDURE

(e) For the procurement of Goods and/or Services on behalf of an entity not covered by Trade Agreement requirements	CFTA Article 504 (i) ii
(f) For Goods and/or Services procured between enterprises that are controlled by or affiliated with the same enterprise, or between one government body or enterprise and another government body or enterprise	CFTA Article 504 (i) iii
(g) For Goods and/or Services procured from philanthropic institutions, non-profit organizations, prison labour or persons with disabilities	CFTA Article 504 (i) v

3.5 Competitive Bid Exceptions

- 3.5.1 EPACS will review, advise on and report for information to the Board of Governors Audit Committee, all circumstances that are considered by EPACS to be exceptions to the Competitive Bid procedure as stated above.
- 3.5.2 Competitive Bid exceptions include, but may not be limited to;
 - Extension to the term of an existing contracts beyond the extension provision provided for in the contract,
 - Purchase commitments that have been undertaken and have been identified by EPACS to be non-compliant with the Competitive Bid requirements.
- 3.5.3 Reported Competitive Bid exceptions will include an action plan and timeline to address any identified policy/procedure non-compliance issues.

2.0 RELATED POLICIES, FORMS AND OTHER DOCUMENTS

- Competitive Bid Process Exemption Request Form
- *New West Partnership Agreement (NWPTA)*
- *Canadian Free Trade Agreement (CFTA)*
- *Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA)*
- Procurement of Goods and/or Services Policy
- Procurement Contract Procedure
- Procurement Procure to Pay Procedure
- Delegation of Signing Authority Policy
- Contracts Review and Signing Authority Policy and Procedure

3.0 ACCOUNTABILITY

Responsible Office
Expense Procurement and Contract Services

4.0 HISTORY

Relevant Dates

Approved: **18.11.17**

Effective: **19.01.01**

Next Review: **24.01.01**

Modification History

18.11.17 Approved by President's Policy Committee. New procedure required to support institutional compliance with applicable legislation and/or trade agreements related to public procurement

21.11.17 Minor change to correct typo in section 3.2.1. Approved by Policy Sponsor.