

TITLE: PURCHASING

POLICY STATEMENT:

All purchases made in the name of Red Deer College (RDC) are processed using the established purchasing methods outlined in this policy and in accordance with the Signing Authority Policy.

PURPOSE:

RDC endeavors to ensure that purchasing decisions and activities are made in an ethical and fair manner that maximizes the value received for funds expended. At the same time, RDC protects the legal and financial interests of the institution and performs due diligence with respect to the expenditure of public funds.

SCOPE:

This policy applies to all employees, contractors, agents, and volunteers associated with RDC who purchase on behalf of RDC. It encompasses all purchases processed with funds administered by RDC including funds held on behalf of others.

PRINCIPLES:

1. Policies at RDC:
 - 1.1. Treat all persons fairly and respectfully.
 - 1.2. Are non-discriminatory and non-intrusive.
 - 1.3. Incorporate open, honest, and timely communication.
 - 1.4. Are made in a timely manner.
 - 1.5. Provide appropriate confidentiality and privacy.
 - 1.6. Provide appropriate access to the College and education.
 - 1.7. Ensure that all persons have access to informed support regarding policies, procedures, rights, and responsibilities.
 - 1.8. Operate with clear written expectations for conduct and handling of complaints.
 - 1.9. Meet all regulatory standards.
 - 1.10. Maintain and clearly state a high standard of instruction and administration in all areas of educational programs and services.
 - 1.11. Are communicated in alternate forms to those who require such accommodation.
2. The following principles apply specifically to this policy:
 - 2.1. RDC is committed to promoting a purchasing system that:
 - 2.1.1. Acquires goods and services in a timely, efficient, and ethical manner with prudent protection against conflict of interest;
 - 2.1.2. Evaluates purchases to determine Best Value;

- 2.1.3. Protects the legal and financial interests of the institution;
- 2.1.4. Complies with the applicable legislation, laws, and other related RDC policies and procedures;
- 2.1.5. Projects a positive image of RDC through fair, open, and transparent processes; and
- 2.1.6. Ensures all disbursements are made under controls sufficient to meet the auditor's standards.

DEFINITIONS:

Best Value: the greatest overall benefit of a purchase taking into consideration factors such as quality, service, pricing, and capabilities.

Buying Group: is formed when two or more members combine their purchasing requirements and activities into one joint procurement process. Buying Groups may involve a variety of entities and can be a:

- cooperative arrangement in which individual members administer the procurement function for specific contracts for the group, or
- formal arrangement in which the buying group representative administers the procurement for group members.

Competitive Bidding: a publicly conducted purchasing process where requirements are made known and open to all desiring to participate. This process is conducted by Financial Services in consultation with the Division/School.

Construction: construction, reconstruction, demolition, repair, or renovation of a building, structure or other civil engineering or architectural work. It includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery, if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure, or other civil engineering or architectural work. It does not include consulting services related to the construction contract unless they are included in the purchase.

Consulting Service: services provided by an independent contractor: (1) with specialized knowledge, skills or experience (2) to accomplish specific study, project, task, or other work statement (3) in which professional opinions, judgments, or recommendations are rendered to RDC.

Direct Award: award of a contract to a supplier without engaging in the quoting or Competitive Bidding process.

Quoting Process: a purchasing process where requirements are made known to selected suppliers who are invited to provide quotes.

Purchase Value: estimated total maximum value of the purchase, whether awarded to one or more suppliers, taking into account all forms of remuneration to be paid a supplier including premiums, fees, commissions, interest, and the total value for optional renewals.

Professional Service: professional or technical, infrequent and unique functions performed by licensed professionals whose occupation is the rendering of such services in accounting, architectural, engineering, treasury, and legal fields.

Spending Authority: a power delegated to select College positions to authorize expenditures up to a specific amount.

GUIDELINES:

AUTHORITY

1. Financial Services is primarily responsible for purchases at RDC. Authority to make most purchases is delegated to departments in situations where the Purchase Value is below the Competitive Bidding threshold and RDC service departments are not required to be used. Departments completing purchases are to ensure that they are compliant with this Policy and the guidelines set out by Financial Services.
2. RDC service departments that provide expertise, assistance and complete the acquisition for certain types of purchases are listed in **Appendix A**.

BUDGET AND APPROVAL

3. All purchases are subject to available budget funds and must be approved by the proper Spending Authority.
4. Continual supply of goods and/or services should be awarded for a maximum of a five-year initial term. Any continued supply in excess of five years must be pre-approved by the appropriate Vice President.

DESIGNATED SUPPLIERS

5. RDC has entered or may enter into agreements for the purchase of certain goods and services from designated suppliers to leverage the institution's purchasing power or to realize savings and efficiencies. All RDC employees must adhere to these agreements as outlined in **Appendix B**.

BUYING GROUPS

6. RDC may join or form a Buying Group. When RDC participates in a Buying Group, it shall ensure that any procurement undertaken is carried out in a manner consistent with RDC's obligations under legislation, regulation, and law.

ETHICS AND ACCOUNTABILITY

7. RDC has a responsibility and obligation to conduct its purchasing activities with transparency ensuring openness, non-discrimination, and non-circumvention (of legislation). Purchasing activity is subject to public scrutiny, so RDC ensures that high levels of ethical behavior are adhered to during the process, in keeping with RDC's Employee Code of Conduct, Conflict of Interest, and Conflict of Commitment policies.
8. Guidance on conflict of interest in the purchasing process including identification, disclosure, and management is found in the [Purchasing Manual](#).

RECORDS

9. Financial Services is the custodian of all original competitive bidding documents, contracts, vendor invoices, and other documents related to purchasing activities.

- Suppliers shall be informed that RDC is subject to the *Freedom of Information and Protection of Privacy Act (FOIP)* which has implications for records created or obtained during the purchasing process.

COMPLIANCE

- Non-compliance with this policy may create risk for RDC, which could impact its reputation, legislative compliance and legal obligations. Failure to comply with this policy may result in loss of Spending Authority and/or purchasing privileges and/or disciplinary actions up to and including dismissal.

PROCEDURE:

CONFLICT OF INTEREST DISCLOSURE

- Prior to or during the purchasing process, individuals/departments that are involved must declare and disclose any conflicts of interest. When in doubt they should err on the side of caution and disclose any concerns. **Disclosure is to be made to Manager of Risk Services & Procurement and/or the Director of Financial Services** in addition to any disclosure made under any other RDC policy or procedure.

PURCHASING ACTIVITIES

- Purchases, other than those specifically exempted within this Policy, are to have price requests as per the following schedule, based on the total Purchase Value:

	Direct Award*	Quoting Process (3 written quotes required)	Competitive Bidding
Goods and Services	< \$5,000	\$5,000 - \$50,000	> \$50,000
Construction	< \$5,000	\$5,000 - \$200,000	> \$200,000
Consulting Services	< \$25,000	\$25,000 - \$50,000	> \$50,000
Professional Services	< \$75,000	-	> \$75,000

*Quotes are always recommended to ensure best value, even if there is no competitive requirement.

Selection of suppliers through the Quoting Process is normally based on the lowest price. Where the lowest price is not selected by the buying department, acceptable rationale must be provided to Financial Services for review and approval prior to the purchase.

- The price request process may be waived for purchases of any value in the situation of sole or single source. All single and sole source purchases must be in compliance with applicable legislation and follow the procedure outlined in the Purchasing Manual excluding the exceptions below:

VALUE	TYPE OF PURCHASE
< \$75,000	<ul style="list-style-type: none"> Hotel accommodations, retreat and fundraising venues Purchase of goods and services at fair market value from the major sponsor for a sponsored event Keynote speakers Non-credit instructional services Services provided by visiting and performing artists Advertising services

Unlimited

- Legal and notary services
 - Treasury services
 - Library materials
-

4. Financial Services conducts and manages the Competitive Bidding process at RDC. At their discretion, they may conduct the Competitive Bidding process for purchases less than the identified thresholds in order to manage risk or to assess the value commitment over time. When in doubt, consult with Financial Services.
5. Knowingly or purposefully separating a purchase into smaller pieces with the intent to circumvent policies and procedures (known as purchase splitting) is strictly prohibited.

PURCHASING METHODS

6. The purchasing method used must be appropriate to the Purchase Value. Purchasing methods and their applications are identified in the [Purchasing Manual](#).
7. Purchasing methods are required in all purchasing situations except the following:
 - 7.1. For emergency repairs due to operational safety requirements. Where possible, Financial Services must be notified in writing of these situations prior to the purchase;
 - 7.2. Legal, accounting, and notary services; and
 - 7.3. Acquisitions of all formats of library collection materials.

RECEIVING

8. All **goods delivered to RDC** should be received by Shipping and Receiving, with the exception of desktop delivery (where RDC has contracted a supplier to deliver goods directly to departments). Goods are primarily delivered to the Shipping & Receiving dock; however, for goods where this is not possible or practical (e.g. large items installed on location), prior arrangements must be made by the ordering department with Shipping & Receiving to confirm receipt.
9. For **small incidental goods** that are picked up and brought to RDC or where RDC has contracted for **desktop delivery**, a second person from the ordering department (other than the person who placed the order) needs to confirm the receipt of the goods.
10. Confirmation of the satisfactory **performance of services** is the sole responsibility of the ordering department.

OFFICER RESPONSIBLE: VP College Services

POLICY CATEGORY: Non-Academic

RECOMMENDING AUTHORITY: Service Council

CONSULTATION FOR REVIEW: Deans' Council, Service Council

POLICY REVIEW DATE: July 1, 2021

EFFECTIVE DATE: July 1, 2018

REVISION HISTORY: February 1, 2001
October 1, 2004
December 1, 2007
April 1, 2009
July 1, 2009
January 1, 2016
July 1, 2018

RELATED POLICIES:

- [Signing Authority and Contract Execution Policy](#)
- [Conflict of Interest Policy](#)
- [Conflict of Commitment Policy](#)
- [Employee Code of Conduct Policy](#)
- [Fee For Service Contracts Policy](#)
- [Related Parties Standard Practice](#)

CONNECTION TO BOARD POLICIES:

All RDC policies support relevant Board of Governors policies.

Appendix A: RDC Service Departments

RDC has designated service departments that provide expertise, assistance and complete the acquisition of certain types of purchases for the organization. The following table identifies the types of purchases and the service departments that provide these services.

DEPARTMENT	TYPE OF PURCHASE
Campus Management	Office furniture Construction including modifications or additions to facility space
Document Centre	Bond paper for use in printers and copiers
IT Services/Financial Services	Computer technology (except IT peripherals)
Financial Services	Insurance
Marketing and Communications	Marketing and advertising services

Appendix B: Designated Supplier Agreements

RDC has entered into agreements with suppliers for the purchase of certain goods & services, as identified below.

COMMODITY	SUPPLIER
Office Supplies	Staples Advantage
Safety & Shop Supplies	Acklands Grainger Inc.
Travel Management	UNIGLOBE One Travel