



Policy No.	<b>B.4.1</b>
Title	<b>Purchasing</b>
Approval Body	Board of Governors
Policy Sponsor	Vice President Administration and Chief Financial Officer
Last Revised/Replaces	May 1, 2011
Effective Date	March 18, 2013

### **CONTEXT AND PURPOSE**

The purposes of this Policy include: establishing a clear procurement accountability framework for Vancouver Community College (VCC; the College); enabling purchasing efficiencies and benefits to be realized by the College; and helping to ensure that VCC meets best purchasing practices.

VCC will ensure that all procurement is characterized by the highest level of institutional and personal integrity, that procurement processes are open, competitive, transparent and fair, and that all qualified vendors are given the opportunity to do business with VCC.

### **SCOPE AND LIMITS**

This policy:

- a. Applies to all College employees who hold delegated spending authority with available budget sufficient to provide for the planned procurement of goods, services or construction for College activities.
- b. Sets out the principles to be followed throughout the procurement process.
- c. Is subject to applicable British Columbian and Canadian laws governing the sales of goods, competitive bidding, contracts, and other laws of general application, and the procurement policies and practices established by the provincial government.

### **STATEMENT OF POLICY PRINCIPLES**

1. Procurement Services is responsible for the organization and administration of centralized procurement services for all divisions of the College.
2. The goal of Procurement Services is to obtain all goods, services or construction at the best value for money to the College.

3. VCC will award all opportunities for goods, services and construction through a competitive procurement process, subject to the procurement process limits and waivers to competitive process, and special procurement authorities (exemptions), set out in the Detailed Purchasing Procedures.
4. VCC engages in a competitive process with the full intent to award a contract at the end of that process.
5. VCC considers products and services from all qualified suppliers.
6. VCC utilizes corporate supply arrangements identified or initiated by Procurement Services where those arrangements would provide best value to VCC.
7. To ensure transparency and equitability in the completion of all procurements, staff must strictly adhere to VCC's Conflict of Interest Policy (A.3.6). In particular, staff and members of the Board of Governors (the "Board") involved in any capacity with the procurement of goods, service, or construction, or in the management of the resulting contracts, may not accept from vendors or potential vendors, any gifts, special favors, or considerations of any other manner, irrespective of the dollar value of such gift.

#### **A. ROLES AND RESPONSIBILITIES**

This section defines key accountabilities and responsibilities of procurement functions by role, which is more fully described in the Detailed Purchasing Procedures.

1. Vice Presidents
  - Planning and fully documenting to established VCC standards, the process to acquire goods, services and construction.
  - Ensuring procurement processes are initiated only where spending authority and department budget are available.
2. Director, Procurement
  - Identifying and initiating supply arrangements with a view to achieving demand aggregation and best value to VCC.
  - Establishing and maintaining:
    - a central file containing full documentation of all procurement activities undertaken by VCC;
    - a central file of all contracts entered into by VCC; and
    - a central file of all waivers of competitive process recommended, including the approval or disapproval of same.
  - Establishing and maintaining on the VCC website, a location for the posting of Detailed Purchasing Procedures, supply arrangements, pro-forma documents and award decisions taken by VCC.
  - Providing a sole point of access to [BC Bid](#)<sup>®</sup> for VCC and coordination of all postings on that website on behalf of VCC.
  - Ensuring compliance with this policy.
  - Monitoring and reporting for compliance with this procurement policy.
  - Establishing and managing policy for a formal VCC vendor complaints resolution

process, including an internal escalating complaint resolution procedure.

3. Vice President, Administration and Chief Financial Officer (CFO)
  - Ensuring all procurements initiated with the approval of the Board are procured according to VCC policy, fully negotiated and documented using VCC approved General Services Agreements or other contract templates approved for use by the Procurement Services.
  - Ensuring that all approvals by the Board are recorded accurately and in detail.
4. Board/Finance & Audit Committee
  - Responsibility to review all procurement policies and approve, if appropriate.
  - Responsibility to review, and approve if appropriate procurement planning prior to solicitation at values in excess of those delegated to management in Appendix A: Procurement Authority Limits.
  - Responsibility to review, and approve if appropriate all VCC award recommendations procured in accordance with this policy, at values in excess of those delegated to management in Appendix A: Procurement Authority Limits.

## **B. CORPORATE SUPPLY ARRANGEMENTS**

1. VCC's Procurement Services will identify and initiate provincial CSAs, CISAs, BCNETSource supply arrangements, and VCC supply channels where those arrangements would provide opportunities for demand aggregation and best value to VCC.
2. Departments must participate in supply channels identified or initiated by Procurement Services where those arrangements would provide best value to VCC.
3. Consult Appendix A to this policy for the specific procurement limits that apply when a corporate supply channel is not available.

## **C. WAIVERS OF COMPETITIVE PROCESS**

1. Contracts for acquisitions (of goods, services, and construction) and disposals may be negotiated and directly awarded without competitive process where one of the following conditions applies:
  - The contract is with a public body or a non-profit organization
  - The Department can strictly prove that one and only one supplier is qualified, or is available to provide the goods, services or construction
  - Where an unforeseeable situation of urgency exists and the goods, services or construction could not be obtained in time by means of open procurement procedures
  - A competitive process would interfere with a VCC's ability to maintain security or order or to protect human, animal or plant life or health.
  - The acquisition is of a confidential or privileged nature and disclosure through an open bidding process could reasonably be expected to compromise VCC confidentiality, cause economic disruption or be contrary to the public interest.
  - The acquisition is primarily for resale

2. In all cases, a Waiver of Competitive Process must be completed, recommended and approved, prior to VCC entering into a contract for provision of the goods, services, or construction.
3. The Detailed Purchasing Procedures, Section 5 provides additional guidance.

**D. PURCHASING CARD (P-Card)**

1. VCC implemented a purchase card program to manage small purchases, in the manner set out in the Detailed Purchasing Procedures.
2. P-Cards transactions will be approved by employees holding delegated VCC spending authority greater than the transaction value approved for the card.
3. The Director, Finance holds overall responsibility for the P-Card program and shall designate a P- Card Coordinator to control the P-Card inventory and manage routine operations of the program.

**E. STANDARD DOCUMENTS**

VCC has established standard documents that must be used for all procurement processes and contracts, unless Procurement Services develops and approves the use of an alternate document to meet a specific business requirement.

These documents will be applied, under the guidance of Procurement Services, by VCC staff authorized to initiate a procurement process.

- Request for Proposal
- Negotiated Request for Proposal
- Request for Qualifications
- Invitation to Quote (Goods)
- Invitation to Quote (Services)
- Notice of Intent
- Waiver of Competitive Process
- General Services Agreement
- Short-form General Services Agreement
- General Goods Agreement
- Modification Agreement
- Evaluation Template

Internal controls have been established over change control to verify the integrity of the fixed schedules to the General Services Agreement (Schedules D-G and Appendix G1). With controlled access in place, VCC may incorporate the fixed schedules into the General Services Agreement by reference.

All documents and templates are available on VCC's internal website at [employee.vcc.ca/departments/operational/procurement-services/forms--templates/](http://employee.vcc.ca/departments/operational/procurement-services/forms--templates/)

## **F. TRAINING AIDS**

Training aids are available on VCC's internal website at [employee.vcc.ca/departments/operational/procurement-services/forms--templates/](http://employee.vcc.ca/departments/operational/procurement-services/forms--templates/).

## **DEFINITIONS**

Refer to the related Detailed Purchasing Procedures for definitions which will help the reader to interpret this Policy.

## **RELATED LEGISLATION, TRADE AGREEMENTS & POLICIES**

### Legislation

B.C. College and Institute Act  
British Columbia Sale of Goods Act  
Freedom of Information and Protection of Privacy Act  
Federal Excise Tax Act

### Trade Agreements

Canada-European Comprehensive Economic and Trade Agreement (CETA)  
Canadian Free Trade Agreement (CFTA)  
Trade, Investment, and Labour Mobility Agreement (TILMA)  
New West Partnership Trade Agreement (NWPTA)

### Policies

A.3.6 Standards of Employee Conduct and Conflict of Interest  
B.1.10 Signing and Spending Authority

## **RELATED PROCEDURES**

Refer to B.4.1 Detailed Purchasing Procedures

## **APPENDIX A: PROCUREMENT AUTHORITY LIMITS**

### **DIRECTORS, VICE PRESIDENTS, AND THE PRESIDENT**

Subject to policy directives, Directors/Deans, Vice Presidents, VP Administration and CFO, and the President holding budget and spending authority for the expected amount of the procurement opportunity may:

- Recommend to Procurement Services to contract with an individual or a group of associated contractors, for goods, services or construction with an expected value of not more than \$25,000 per procurement opportunity, without a competitive process. The Director, Procurement Services has the authority to decline or approve the Recommendation. Directors/Deans and Vice Presidents are not permitted to contract directly on behalf of VCC.
- The Director, Procurement Services may direct that a procurement opportunity or supply arrangement, with an estimated value of:
  - Less than \$25,000 be competed to the extent reasonable and cost effective
  - An estimated value from \$25,000 up to \$75,000 is awarded using a competitive process that is appropriate to the value, complexity and profile of the business opportunity. Such opportunities can be posted on BC Bid or at least three quotes must be obtained
- Initiate a procurement process, and upon the completion of such process, contract for goods, services, or construction with expected values as follows:
  - Directors/Deans: goods, services, and construction to a maximum of \$75,000
  - Vice Presidents: goods, services, or construction to a maximum of \$200,000
  - President or the VP Administration and CFO: goods, services, and construction to a maximum of \$500,000
- Acquire goods, services or construction through provincial CSAs, CISA, BCNETSource supply arrangements or VCC supply arrangements identified or initiated by Procurement Services, within the limits and the processes set out in the arrangement.

### **FINANCE & AUDIT COMMITTEE**

Subject to policy directives, the VP Administration and CFO may present a proposal for VCC to initiate procurement in respect of goods, services or construction with an expected value of more than \$500,000 to the Finance & Audit Committee.

Where the expected value of the opportunity is between \$500,000 and \$1,000,000, the Finance & Audit Committee may:

- Approve the planned procurement solicitation proposal and direct the VP Administration and CFO to initiate the appropriate procurement solicitation under VCC

- policy.
- Reject the planned procurement solicitation proposal.
- Approve the procurement award recommendation and direct the VP Administration and CFO to initiate the appropriate contract under VCC policy.
- Reject the procurement award recommendation within VCC policy.

### **BOARD OF GOVERNORS**

Where the expected value is in excess of \$1,000,000, the Finance & Audit Committee will review the proposal and pass the proposal on to the Board with recommendation to approve or reject. Upon receipt of the proposal and recommendation of the Finance & Audit Committee, the Board may either:

- Approve the proposal and direct the VP Administration and CFO to initiate the procurement process appropriate under VCC policy. The Board will approve the resulting award recommendation and contract.
- Reject the proposal.

## APPENDIX B: SPECIAL PROCUREMENT AUTHORITIES

The following procurement activities are not subject to the competitive procurement terms of this Procurement Policy.

### 1. Relevant Business Units

Any items purchased for resale including:

- That are sold in the normal course of business in the College's food outlets and bookstores, or
- That are sold in the normal course of business in Transportation Customer Service Shop, or
- Through a VCC department to a student (such as student kits) registered in that department

As these purchases are not for VCC's own account NWPTA exception C.2.k - goods intended for resale to the public apply.

### 2. International Agencies

Respecting VCC International and the engagement of agents for the College, mandated to locate and encourage the enrolment of foreign students at the College, the Vice President may approve the appointment of agents providing the following program requirements have been fulfilled:

- The VP Administration and CFO has approved the application form used in the selection of agents and the agency agreement used to document the relationship of the agent and the College.
- The application form clearly identifies the corporate structure of the applicant, the shareholders of the applicant, corporate relationships maintained by the applicant or its shareholders respecting the potential agency services contemplated, and domestic and foreign references to demonstrate the applicant's history in the provision of similar agency services.
- The agency agreement has a term not exceeding three years and establishes how incremental service impacts are to be proven thus warranting the payment of agency fees.
- The College has verified and documented all foreign and domestic sources and relationships identified in the application form.
- Every agent so appointed has entered into the approved agency agreement with the VCC.
- The Vice President, Enterprise and International Development has provided the VP Administration and CFO with annual reports confirming all agency applications



received and so approved, the amount and timing of incremental students/tuition fees generated by agent, and all related commissions.

As these purchases are for representational or promotional purposes outside of British Columbia, NWPTA exemption C.2.c) applies.

### **3. Library**

For library materials that are purchased where the amounts are immaterial to the purchases made for the bookstore.