

Policy Name	Procurement		
Policy #	413-G	Category	Finance
Approved by	President and CEO	Issue Date	May 9, 2006
Policy Sponsor(s)	Associate Vice President, Financial Services	Revision Date	December 9, 2016

See the related [POLICY](#).

PROCEDURES

1. Procurement has the responsibility for the management of all procurement services.

Procurement may grant delegated authority for the procurement of goods and services specifically related and limited to Saskatchewan Polytechnic operations. Those with delegated authority are required to be in compliance with the procurement policy and follow all applicable procurement procedures. The following units are the **only** offices authorized to undertake procurement under Saskatchewan Polytechnic purchasing framework on behalf of Saskatchewan Polytechnic Procurement department:

Library: for physical and digital library collections
 Bookstore: for textbooks and ancillary items for resale
 Cafeteria: for food services

2. In compliance with the procurement policy statement no. 3 the following areas have been identified as exceptions and may be purchased without the use of a purchase order. Each exception must be approved and signed with the appropriate authorization as per the Management Authorities Grid and the procurement policy.

Exception	Responsibility	Method of Payment and Supporting Documents Required
Procure goods (NOT capital) and/or services with a value of less than \$5,000	Saskatchewan Polytechnic	Pcard preferred and/or an invoice, and/or an internally designated form.
Acquisition or lease or rental of property	Facilities	A signed contract and an invoice are required for payment.
Professional Fee remittances (e.g. insurance, audit, legal)	Financial Services	
Catering	Saskatchewan Polytechnic	Pcard preferred and/or an invoice, and/or an internally designated form
Advertising	Saskatchewan Polytechnic	
Travel related expenses	Saskatchewan Polytechnic	Travel card or usage of the travel and expense module (TEM).
Payroll related remittances and benefit plans	Financial Services, Human Resources	A remittance advice, and/or an invoice, and/or internally designated form.
Government related remittances – PST, GST etc.	Financial Services	
Utilities	Facilities	
Canada Post and inter-office related courier charges	Financial Services	

Payments to an individual (non-employee) - includes honoraria, royalty/copyright payments, scholarships and awards	Human Resources, Accounts Receivable, Donor and Alumni	An invoice, and/or internally designated form.
Financial Services - includes investment, securities and banking services	Financial Services	
Professional development (course and conference registrations) and memberships	Saskatchewan Polytechnic	A remittance advice, and/or an invoice, and/or internally designated form, and/or usage of the travel and expense module (TEM).

3. All capital must be purchased through the web requisition/purchase order process.
4. A contract is required where risk, or complexity of the purchases are greater than can be directly addressed through the purchase order and/or RFP terms and conditions. For service contracts the General Services Agreement template is preferred.
5. On an annual basis, senior management council (SMC) and the board of directors audit committee will be provided with a compliance summary report of any significant procurement compliance concerns:
 - procurement of goods or services in excess of \$75,000 that were excluded from the competitive bidding process under section 5 of this policy; and
 - any significant compliance issues.
6. **No goods or services shall be procured from a Saskatchewan Polytechnic employee.**
7. Saskatchewan Polytechnic employees must not do or say anything to create a verbal contract or otherwise commit to purchase on behalf of Saskatchewan Polytechnic.
8. All procurement of goods or services for Saskatchewan Polytechnic will be based on the following minimum guidelines. It is the policy of Saskatchewan Polytechnic to acquire goods and services through a competitive process whenever practical. As such, Procurement may recommend further research be done for any given price level. As allowed under the relevant trade agreements, these minimum guidelines do not apply to the purchase of goods intended for resale to the public (e.g. ancillary items for resale).
 - a. Any item(s) not exceeding \$5,000 (pre-tax) in value may be purchased based on:
 - i. Purchasing's knowledge of and experience with the supplier; or
 - ii. The requisitioner's knowledge of last purchase price; and/or
 - iii. A verbal quotation.
 - b. Any item(s) not exceeding \$25,000 (pre-tax) in value may be purchased on the basis of verbal quotations from no fewer than three (3) suppliers. The quotations must be documented in writing and attached to the electronic web requisition for audit control purposes.
 - c. Any item(s) not exceeding \$75,000 (pre-tax) in value may be purchased on the basis of written quotations from no fewer than three (3) suppliers and attached to the electronic web requisition for audit control purposes. Should the minimum number of formal submissions not be obtained, the associated document must detail the reason why.
 - d. Any item(s) exceeding \$75,000 (pre-tax) in value must be purchased through a public formal competitive bidding process (Request for Tender/Proposal/Quote (RFx) or Prequalification). All quotes will be evaluated on the price (all aspects associated with), quality (technical and commercial evaluation), environment (health and safety, labour standards, consumer protection, or sustainability), and social impact (community impact to Saskatchewan).

Saskatchewan Polytechnic purchasing dollar threshold summary for determining minimum competitive or non-competitive purchasing methodologies:

Purchasing \$ Threshold	Purchasing Methodology
\$0 - \$5,000 (pre-tax)	Based on Purchaser's knowledge - Pcard preferred
\$5,000 - \$25,000 (pre-tax)	Verbal Quotes - Minimum of 3 - Must be documented
\$25,000 - \$75,000 (pre-tax)	Written Quotes - Minimum of 3 - Must be documented
➤ \$75,000 (pre-tax)	Formal Competitive Process - (Request for Tender/Proposal/Quote (RFx) or Prequalification) Contract - Goods – at the minimum a purchase order - Services – General Services Agreement

All thresholds are applied over the life of the contract or agreement.

9. The permitted response time to a solicitation must be sufficient to allow all potential proponents to have a reasonable time to compete, taking into account the required time to disseminate information, the complexity of the procurement, and the time required to prepare an appropriate response.
10. Employees must not split purchases. For example, splitting what should be a single purchase or contract into two (2) or more parts that are below relevant purchasing thresholds in order to avoid the need for a higher level approval to purchase.
11. When making purchases for Saskatchewan Polytechnic, (on a Saskatchewan Polytechnic corporate card) you **MUST** not use personal points programs for collecting points such as Air Miles, Co-op numbers, PC Plus, Canadian Tire, etc. This is considered a taxable benefit by the Canada Revenue Agency (CRA).
12. All leasehold improvements through the Ministry of Central Services (MCS) must be set up through the web requisition/purchase order process
13. As a publicly-funded organization Saskatchewan Polytechnic is considered a member of the MASH sector (Municipalities, Academic, Schools and Hospitals) and as such is subject to the New West Partnership Trade Agreement (NWPTA) and The Agreement on Internal Trade (AIT). In compliance, any construction exceeding a threshold of \$200,000 or goods and/or services exceeding a threshold of \$75,000 must adhere to the procurement rules outlined in these agreements. Saskatchewan Polytechnic posts all bid requirements for \$75,000 and greater on the SaskTenders website www.sasktenders.ca.

Competitive bid exceptions or sole, single sourcing may be exercised by Saskatchewan Polytechnic only if the following documented justification can be met and approved if there are organizational strategic priorities or essential and/or material reasons for awarding an order or contract without soliciting competitive bids. Validating such alignment helps ensure Saskatchewan Polytechnic provides all potential suppliers equal and fair treatment and meets its externally-imposed procurement requirements.

All sole, single source justification must be documented with appropriate rationale that would support a transparent award process and withstand public scrutiny. These purchases must be authorized by the department's SMA member and reviewed by the Manager, Procurement prior to any purchase and in compliance with the first policy statement. See Sole, Single Source procedures and guidelines. Saskatchewan Polytechnic's standard sole, single source documentation waiver of competitive bidding form

must be used and is available on the Saskatchewan Polytechnic website, www.saskpolytech.ca, within Financial Services section.

- a. Sole sourcing is when only one supplier is capable of meeting end-user requirements and specifications. For example:
 - i. In the case of specialized and/or custom-designed equipment or services for which there is only one known or recognized product leader; or
 - ii. When the requested item is to match existing product, equipment or systems and is only available from the original product manufacturer; or
 - iii. No other distributor in the market.
- b. Single sourcing is when more than one supplier or distributor for a product exists in the market; however, only one of those suppliers or distributors is able to meet specific requirements; for example:
 - i. In cases where the immediate procurement of a goods or services is essential for the continued functioning of a Saskatchewan Polytechnic program; or
 - ii. Where goods or consulting services regarding a confidential or privileged matter are to be acquired, the disclosure through a competitive process could reasonably be expected to compromise confidentiality, cause economic disruption or be contrary to public interest; or
 - iii. The estimated expenditure is less than \$5,000 (pre-tax) for goods and services and where there is a limited number of potential vendors.

14. Where a sole or single sourced contract for the continuation of services is to be awarded (that is not the result of exercising option to renew) and the requirements have not changed from those provided under the initial contract, Saskatchewan Polytechnic may rely upon the original sole, single source justification if it is still relevant. The justification must be reviewed, resigned and dated.

If not Saskatchewan Polytechnic must either update the original justification, or provide a new one, or go to the competitive process.

Sole, Single Source Guidelines

1. Why do I need a sole, single source justification?

As a public institution, Saskatchewan Polytechnic must document to show it spends taxpayer dollars wisely via proof of price reasonableness, and market research performed. There is an underlying assumption that more than one product or service provider exists to do the work Saskatchewan Polytechnic requires.

The sole, single source justification documents that there is no alternative to the unique item or service specified in the web requisition. The sole, single justification forms are NOT to be utilized to circumvent normal purchasing procedure. They are to be used only as an exception when all attempts to pursue competitive purchasing practices have failed.

2. When do I need a sole, single source justification?

When a good or service costs more than \$5,000, as in conjunction with the Saskatchewan Polytechnic Procurement Policy No.1002, Procurement endeavors to competitively solicit written quotes and tenders for supplies, equipment and/or services in excess of \$5,000 CAD.

All capital purchases not procured through a competitive process (sole, single sourced) must be approved at the senior management assembly (SMA) level of authority.

3. What defines a sole, single source purchase?

- Sole, Single Source: Only one supplier is capable of meeting end user requirements and specifications. For example (not comprehensive listing):

- i. In the case of specialized and/or custom-designed equipment or exclusive rights to the service (advertising, artistic, entertainment services) for which there is only one known or recognized product leader, or
- ii. Patented or copyrighted and only available from the copyright/patent holder, or
- iii. Required under the terms of a federal/provincial grant and the item is included in the award document, or
- iv. Where goods or consulting services regarding a confidential or privileged matter are to be acquired, the disclosure through a competitive process could reasonably be expected to compromise confidentiality, cause economic disruption or be contrary to public interest, or
- v. An extension or continuation of vendor responsibilities to an existing contract, or
- vi. No other distributor in the market, or
- vii. Delivery is required by a specific date for the completion of the project or task and delays would cause an extreme increase in cost or a detriment to Saskatchewan Polytechnic, or
- viii. Only one supplier is deemed economically feasible. In order to be economically feasible, one of two criteria must be met:
 - The need for compatibility of equipment, accessories, replacement parts or services outweighs the benefits of a competitive bid, or
 - Financial information or evidence can demonstrate that failure to standardize on a single product/service will greatly increase the total cost of ownership and outweighs the benefits of a competitive bid.

4. What is not a sole, single source purchase?

The following are NOT sole, single sourced purchases:

- i. A proprietary good/service where there is more than one potential supplier authorized to provide the good/service, or
- ii. A good/service that is included in a grant or research contract proposal but is not specified as a named vendor line item in the award document, or
- iii. A preferred vendor, or
- iv. A good/service where it cannot be demonstrated that only one supplier is economically feasible. This is particularly problematic if similar goods/services are available and only a competitive bid can determine the difference in costs. For example; it is usually hard to argue the selection of one product over another is justified based on additional training costs in the absence of a competitive bid.

5. How to prepare a sole, single source justification Waiver of Competitive Bidding Form?

- Select a category most applicable to your requirements
- Select a description most applicable to your requirements
- Define your minimum unique use requirements
- Be factual
- Provide as much information as possible in all areas of the source justification. The following list of questions will assist in compiling the necessary documentation:
 - How are the minimum use requirements described above critical to your needs? A minimum of three total suppliers must be researched as per the Procurement Policy (No. 1002). Attach supporting documentation such as: screen shots of web searches, messages from suppliers, etc. Do not attach supplier source justifications as they are written to exclude real competition and can be evidence competing goods/services do exist.
 - How is the supplier chosen as the only supplier acceptable (out of the minimum three)?
 - What does the chosen vendor bring to the table that other vendors do not?
 - Have any other vendors been contacted? Are there others that are qualified? If yes, why were they not contacted?
 - What are the consequences if the project is not completed by the suggested end date?
 - Why is the competitive process impractical for supplying this service to *Saskatchewan Polytechnic*?
 - Has the effort been made to secure the best possible price or value for *Saskatchewan Polytechnic*?

- What are the benefits to *Saskatchewan Polytechnic* to single source?
- Why is the price fair and reasonable?
- Do NOT:
 - Explain why only this vendor can provide these goods/services, or
 - State “because we have used these goods/services in the past”, or
 - Use this as a form to discount quality or qualifications of other vendor’s goods/service

The Waiver of Competitive Bidding Form is available on Saskatchewan Polytechnic website within Financial Services.