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POLICY

I. PURPOSE

The purpose of this Policy is to ensure that the University obtains the best value for its expenditures while ensuring that all procurements and procurement processes are characterized by the highest level of institutional and personal integrity; that the procurement process is open, transparent and fair; and that all qualified vendors are given the opportunity to compete for the University's business.

II. SCOPE

1. This Policy applies to all faculties, divisions, departments, programs, faculty and staff. It identifies those with the authority and responsibility to acquire goods and services on behalf of the University and sets out the principles to be followed throughout the procurement process.
2. This Policy covers all University purchases for goods or services including capital expenditures and goods for resale.

III. POLICY

1. Under authority delegated by the Board of Governors to the Vice-President, Administration and Finance by the Signing Authority Policy, the Vice-President, Administration and Finance is authorized to commit the University to supply agreements, purchase orders, licenses, contracts, leases or other legally enforceable documents.
2. The Vice-President, Administration and Finance may delegate specific purchasing authority to other individuals and/or departments, retaining functional authority over these individuals and/or departments with respect to the specific purchasing authority delegated.

3. Only duly authorized individuals can commit the University to supply agreements, purchase orders, licenses, contracts, leases or other legally enforceable documents. (Please refer to the TRU Signing Authority Policy.)
4. Where a commitment is purported to have been made in the name of the University by someone who does not have proper authorization, the University will not be bound by the commitment. In the event the unauthorized commitment is made by an employee of the University, that employee will be financially liable for the commitment and will not be indemnified by the University.
5. Where appropriate, the acquisition of goods and services should be by a competitive bidding process.

IV. RESPONSIBILITY

1. The Director, Ancillary Services under the authority of the Vice-President, Administration and Finance is responsible for the overall implementation of this Policy, for communicating its contents to the University community, and for ensuring that this Policy's principles are understood and applied.
2. Vice-Presidents, Associate Vice-Presidents, Deans, Directors and Chairs are responsible for ensuring that the Purchasing Policy is clearly understood and complied within their faculties, schools, divisions, departments, and programs.

V. PROCEDURES

Detailed Purchasing procedures and tender thresholds are available from the University's web site maintained by the Procurement Services Department at www.tru.ca/purchasing.html.

VI. CONFLICT OF INTEREST

Members of the University community must at all times comply with the University's Policy on Conflict of Interest.

VII. SPENDING AUTHORITY

Spending authority (i.e. the authority to make decisions with regard to spending) is distinct from *signing authority* (i.e. the authority to sign documents on behalf of the University making commitments to other parties). Approval of the University's operating budget by the Board of Governors and allocation of the operating budget to the University's operating units confers the spending authority to authorize expenditure within the amounts and scope of the accounts allotted to them in the budget, subject to the terms and conditions of the relevant purchasing or human resources policies and procedures, or specific directives or conventions within operating units. Spending authority alone does not provide the authority to an individual to sign agreements on behalf of the University. Only those individuals given signing authority by the

Signing Authority Policy can sign documents making a commitment on behalf of the University.

REGULATIONS

THOMPSON RIVERS UNIVERSITY (TRU) PROCUREMENT SERVICES RESPONSIBILITIES

The TRU Procurement Services Department is responsible to ensure that the University obtains the best value for its expenditures while ensuring:

- i. that all procurements and procurement process are characterized by the highest level of institutional and personal integrity;
- ii. that the procurement process is open, transparent and fair; and
- iii. that all qualified vendors are given the opportunity to compete for the University's business.

In particular the Procurement Services Department is responsible to:

- develop overall strategic direction for procurement management and services;
- ensure the University conducts its procurement business in an open, transparent and fair manner;
- provide consultation to the University community with respect to product sourcing, competitive bid processes, contract review, vendor/contractor qualification, negotiation, development, dispute resolution, relationship and performance management, and tax applicability;
- develop and manage competitive bid processes;
- develop, negotiate and administer University-wide agreements for broadly used commodities and services by leveraging the full purchasing power of the University and in collaboration with other institutional purchasing cooperatives, CAUBO procurement committee initiatives and Province of BC corporate supply arrangements;
- investigate and facilitate procurement best practice methodologies for the University by providing procurement tools to enable self-sufficiency and operational efficiency;
- develop, manage and administer procurement programs such as the Purchasing Card (PCard), Vendor systems contracts (direct online order and payment), Customs Brokerage Services and E-Procurement;
- monitor compliance with this Policy and recommend changes resulting from evolving requirements, procurement tools, and methodologies;
- oversee the University Surplus Disposal Policy and program;

- participate on various campus committees/task forces regarding current and new initiatives; and;
- promote procurement effectiveness through consultation and training services where required.

PROCUREMENT PROCESSES AND PROCEDURES SUMMARY

For all funding sources, the Procurement Services Department of Ancillary Services is the authority for committing the University to binding supply agreements or purchase orders for the acquisition of goods or services in accordance with related policies. Related policies include but are not limited to:

Policy Series – Board of Governors

- Signing Authority (BRD 2-1)

All purchases are subject to University as well as legislative competitive bid thresholds under the Agreement on Internal Trade (AIT) ANNEX 502.4 (MUSH Sector Procurement) and Trade, Investment and Labour Mobility Agreement (TILMA) an agreement between the Government of British Columbia and the Government of Alberta . As such, Procurement Services has developed the University Competitive Bid Thresholds matrix (levels may change depending on the finalization of TILMA for the University sector).

(Refer to University Competitive Bid Thresholds)

When purchasing, University staff must **first refer** to the University-wide agreements.

(Refer to website under University wide / Preferred Vendor Agreements)

The University's procedures for procuring goods or services are:

1. University-wide/Preferred Vendor Agreements
2. Competitive Bid Procedure
3. Competitive Bid Exception Procedure
4. Purchasing Card Handbook Procedures and Guidelines
5. Standing/Blanket/Open Order System Procedure
6. Purchase Order System Procedure
7. Agreement for Services Procedure
8. Emergency Purchases Procedure
9. Interdepartmental Purchases.

1. University-wide/Preferred Vendor Agreements

University-wide/Preferred Vendor Agreements are implemented and monitored by Procurement Services. University-wide/ Preferred Vendor Agreements leverage the University's purchasing power to secure discounted pricing and superior levels of service. Procurement Services will maintain a listing of these agreements referred to as the University-wide/Preferred Vendor List. With some limited exceptions, University-wide/Preferred Vendor Agreement purchases are subject to University Competitive Bid Thresholds, so if the value or complexity of the proposed procurement warrants, the Competitive Bid Procedure is to be used instead.

Also included in the University-wide/Preferred Vendor List, are agreements that the University has elected to participate in developed by the Canadian Association of University Business Officers (CAUBO), a not-for-profit organization comprised of Canadian University and Colleges, as well as the Province of British Columbia corporate supply arrangements. These agreements have gone through a competitive bidding process through their respective organizations.

2. Competitive Bid Procedure

This procedure ensures the University receives the best overall value for the procurement of goods or services. The procurement of all goods or services is subject to this Policy and the University Competitive Bid Thresholds. These thresholds reflect the University's commitment to effective stewardship of funds as well as compliance with applicable legislation, regulations and agreements such as the Agreement on Internal Trade (AIT) ANNEX 502.4 (MUSH Sector Procurement).

3. Competitive Bid Exception Procedure

This procedure cannot be used to avoid competition between or to discriminate against potential vendors in any way. It applies where a purchase exceeds the University Competitive Bid Thresholds but where there is only a single Vendor. No purchase can be made under this exception unless a Competitive Bid Procedure Exception Request has been approved by the Director, Ancillary Services, or where applicable, the Vice-President, Administration and Finance.

4. Purchasing Card (PCard) Program

A Purchasing Card can be used to procure lower dollar value goods and services when another purchase procedure is either not cost-effective or sufficiently convenient. Once a Purchasing Card is issued to a member of the University community (the "cardholder"), they hold the authority to purchase subject to:

- a) any terms stipulated by the responsible faculty, school or division;
- b) **a transaction limit of \$1,500.00 and a monthly limit of \$10,000.00;**
- c) the Purchasing Card Handbook Procedures and Guidelines; and
- d) the Purchasing Cardholder Agreement terms and conditions.

5. Standing and Blanket/Open Purchasing Order (PO) System Procedure

The purpose of a Standing Purchase Order (SPO) or Blanket Purchase Order (BPO) is to provide a procurement method for repetitively purchased, lower dollar value goods or services during a specified period when using a purchasing card is not appropriate.

SPO's and BPO's are subject to the University Competitive Bid Thresholds meaning that if the cumulative value of the potential purchases warrants, the Competitive Bid Procedure must be used.

A SPO provides for multiple deliveries of goods and services at pre-negotiated or contracted prices without the requirement to issue an individual PO for each delivery. Other features of an SPO are that:

- a) the goods or services to be supplied are specified;
- b) the prices are shown;
- c) delivery may be required at stated times or intervals, or as called for; and
- d) the SPO specifies the person or persons authorized to request or arrange deliveries.

A BPO is useful and warranted only where there are frequent small purchases of a specified class of goods or services from one Vendor. It is a convenience arrangement by which supplies and services of a minor nature may be obtained by end users directly, avoiding the issuance of an individual PO. Other features of a BPO are that the BPO does not list specific materials and supplies or the prices, nor limit the value per transaction purchase, however it does specify person(s) authorized to request or arrange deliveries.

6. Purchase Order ("PO") System Procedure

Subject to the University Competitive Bid thresholds, the PO System Procedure (Electronic Requisition – soon to be in place) can deal with the procurement of any goods or services. PO's are used for higher dollar value non-repetitive purchases where the use of a University-wide/Preferred Vendor Agreement, PCard or Standing PO/Blanket PO is not applicable. The requester completes an online Purchase Requisition and Procurement Services places the order on behalf of the requester. The online Purchase Requisition (hard copy) must be signed by an approved university faculty or staff member who has the requisite spending authority. The PO is signed by an employee who has requisite signing authority and placed with the Vendor by Procurement Services.

7. Agreement for Services Procedure

Contracts for engaging professional or consulting services **are subject to University Competitive Bid Thresholds**. Procurement Services will assist in negotiations, and development of an agreement for services. The pertinent terms and conditions are to be recorded in appropriately executed contracts.

8. Emergency Purchases Procedure

Emergency purchases are defined by circumstances in which an immediate purchase or purchasing decision is necessary to prevent a serious delay which reasonably could result in a danger to life, property damage, or suspension of the provision of an essential service. Under certain circumstances, this could apply to any good or service. A failure to anticipate a need or lack of planning is not of itself considered a bona fide emergency. A Sole Source Justification/AIT Competitive Bid Exception Request is required for an emergency purchase above the University Competitive Bid Thresholds and approved by the Director, Ancillary Services, or where applicable, the Vice-President, Administration and Finance.

9. Interdepartmental Purchasing (Ancillary Operations)

Purchasing between TRU units is called interdepartmental purchasing. The Bookstore, Print Shop, and Central Stores are examples of University units that provide goods and/or services to other University units. Payment is often made by interdepartmental billing. In general, an authorized party from the purchasing unit provides the selling department with the applicable order and billing information. Then the selling department distributes the good or provides the service and processes the transaction directly in the University's general ledger charging the expense to the purchasing department and posting the sale (revenue) to the selling department.

Competitive Bid Requirements

An open, transparent, and fair competitive bidding process is the cornerstone of the procurement process at the University.

The competitive bidding requirements at the University are intended to provide:

1. Access to the business community for the University's goods and services requirements.
2. Demonstration of best value received for the University's goods and services requirements.
3. Clearly documented records of the obligations of the parties.
4. Compliance with requirements such as the Agreement on Internal Trade (AIT) and the Trade, Investment and Labour Mobility Agreement (TILMA) a partnership between the Government of British Columbia and the Government of Alberta.
5. Good business practices.

Documents used in the Competitive Bid process are available on the TRU Procurement Services website, and include:

1. Competitive Bid Procedure
2. University's Competitive Bid Thresholds Matrix
3. Competitive Bid Exception Procedure
4. Sole source Justification/AIT Competitive Bid Exception Request
5. Agreement on Internal Trade (AIT) ANNEX 502.4 (MUSH Sector Procurement)
6. Trade, Investment and Labour Mobility Agreement (TILMA)

Competitive Bid Procedure

Overview

Procurement Services oversees the acquisition of goods and services on behalf of the University. The role of Procurement Services is one of a consultative and facilitative nature assisting University units with the procurement of required goods and services while ensuring that all applicable University policies and procedures, sponsor terms and conditions as well as all applicable federal and provincial legislation and regulations governing the acquisition of goods and services are adhered to.

The University procures goods and services of a significant value through the competitive bid process.

The key principles of this process are as follows:

1. That all qualified vendors are given the opportunity to compete for the University's business; and
2. That the competitive bid process is open, transparent, and fair so that all Vendors are treated fairly.

The competitive bid process is intended to ensure that the University receives the best overall value for the purchase of goods and services.

All purchases in excess of the University Competitive Bid Thresholds are subject to the University Competitive Bid Procedure. In addition, proposed purchases below the thresholds may be subject to a competitive bid process at the discretion of Procurement Services, in consultation with the end user at the University. For relatively low dollar amounts, the competitive bid process can generally be quite informal and can be completed on a timely basis. The procurement method to be used for low value procurements will be decided by Procurement Services.

For larger dollar amounts, the process usually takes more time because the product or service is usually more sophisticated and complex, therefore more time is required to create bid documents which adequately define the University's needs and contain sufficient information concerning all the relevant issues which have to be addressed by vendors in their bid response. Other factors such as evaluation criteria to be used, the mandatory and/or preferred terms and conditions to be included have to be considered and discussed with end users.

Procedure

The requirement to comply with University procedures extends to all members of the University community. The University has two (2) clearly defined methods; Request for Bids ("RFB") and Request for Proposals ("RFP") of soliciting competitive bids from Vendors based on the value and complexity of the proposed purchase.

Request for Bids

The RFB format is generally used when the requirement being tendered is quite straightforward, the specifications are known, and the primary remaining factors are price and delivery. Some examples of products which are usually tendered using the RFB are:

- Office Equipment
- Motor Vehicles
- Other products/equipment where the specifications are known

Using this process will usually result in the contract being awarded to the qualified Vendor who has met all the requirements of the RFB and who has submitted the lowest cost. This is not necessarily the same as awarding the contract to the bidder who submitted the lowest price overall.

Depending on the circumstances of the procurement and specific concerns of end users, additional evaluation criteria other than price and delivery can be used such as quality, performance, service, warranties, etc.

Request for Proposals

An RFP usually differs from an RFB in that a number of factors in addition to price are considered in the procurement decision, for example:

- The ability of the Vendor's equipment or staff to meet and exceed the technical requirements of the Request for Proposals (assuming the RFP is for the purchase of equipment);
- Past performance (and possibly the service record) of the Vendor;
- Responses from other purchasers (references);
- The Vendor's financial offering, i.e., product cost including life cycle costs;
- Delivery factors.

The Request for Proposals document must clearly state the evaluation criteria to be used in the selection process and that the university only uses these criteria when evaluating Vendor responses. The Request for Proposals format offers greater flexibility for the University in the procurement process and therefore is often preferred to the Request for Bid (RFB) process in situations where:

- The procurement decision is relatively complex and is not based solely upon specifications being met and the lowest price;
- There is more than one possible solution or approach to the procurement;
- There is a need to select the best overall service/product, where price is not the most important consideration.

Steps in the Competitive Bid Process

The following is the procedure for initiating an RFB or an RFP process:

1. The person at the University desiring the procurement must submit a completed online Purchase Requisition to Procurement Services clearly indicating the goods or services to be purchased, and the estimated purchase price. The online Purchase Requisition (printed hardcopy) must be signed by an authorized University staff member and include their printed name. The Purchase Requisition is the **spending** authorization to initiate the procurement process; it enables a Purchase Order and/or Contract to be generated and provides the chart of account string to be entered into the system.
2. The person making the request together with Procurement Services will identify potential sources of supply.

3. Prior to initiating the Competitive Bid Process, Procurement Services staff will discuss with end users the key elements involved in the competitive bid process. It is crucial that Procurement Services and end user departments both agree on the following before issuing the request:
 - the most suitable competitive bid method to be used, i.e.RFB or RFP;
 - that purchases in excess of Agreement on Internal Trade (AIT) ANNEX 502.4 (MUSH Sector Procurement) thresholds will be posted on the Province of British Columbia's electronic tendering website (BC Bid) for the vendor community at large; (Refer also to Agreement on Internal Trade and TILMA);
 - that vendors must be given a reasonable period of time (based on the size and complexity of the proposed purchase) to provide a response to the RFB or RFP;
 - the selection process and selection criteria which will be used to evaluate RFB or RFP;
 - Vendor requirements;
 - the minimum generic specifications to be included;
 - the essential terms and conditions to be included in the bid/proposal documents;
 - clarification of the responsibilities and roles of the end-user department and Procurement Services during and after the tendering process;
 - all the end users concerns with respect to any of the Vendors or with any aspects of the competitive bidding process are discussed.
4. Procurement Services will prepare the RFB or RFP document for distribution.
5. Once the RFB or RFP closes, Procurement Services will review all bids or proposals to ensure commercial compliance and compliance with the mandatory requirements of the request.
6. Procurement Services will then forward responses to the end user (and evaluators, if applicable) for review and evaluation. For large contracts, representatives from Procurement Services may be directly involved with the evaluation committee to ensure due process is followed. All qualified responses received must be evaluated as per the stated selection criteria. Examples of evaluation documents are available upon request.
7. Evaluating Tender Responses - Usually one of two evaluation methods is selected depending upon whether a RFB or RFP document is used.

Type 1: REQUEST FOR BIDS (RFB) – Evaluation Process

Absent information that a vendor is not qualified, it should be assumed that all vendors receiving the RFB are qualified.

In the absence of any other selection criteria included in the tender document, contract awards must be made upon the basis of the vendor submitting the lowest, qualified bid. To determine this the University will review all vendor responses and eliminate those vendors who do not meet all the required or mandatory product specifications or vendor requirements (i.e., delivery). University staff should then illustrate on a spreadsheet, all costs submitted by those vendors who have met all of the specifications and requirements and select the vendor with the lowest price.

Type 2: REQUEST FOR PROPOSALS (RFP) – Evaluation Process

When evaluating an RFP, there are three (3) approaches which may be used:

- Approach 1: by the process of elimination or short-listing;
- Approach 2: by an Evaluation Model using weights and scores;
- Approach 3: by using a combination of the above approaches (1 & 2)

Approach 1: Evaluating by Elimination

- This approach works best in situations where (given certain technical requirements), the vendor response(s) makes it relatively easy by the process of elimination to short-list to the best two or three remaining vendors.
- By reviewing the remaining selection criteria in the Request for Proposals (i.e., past performance, references, warranty offered, price, etc.), a final decision can be made to award the contract to the Vendor who best meets all the criteria specified.

Approach 2: Evaluation Models

When the decision to select a particular Vendor is not clear due to the subjective nature of the requirement(s) proposed (i.e., evaluating consultants), or because all Vendors responding to the RFP have submitted what appears to be equally good proposals, a possible evaluation tool to consider using is an evaluation model.

Approach 3: Using a Combination of Approaches with Evaluation Models

An evaluation model is a table in which each of the selection criteria being used is assigned a weight to signify the relative importance of that factor in making the final decision.

- In an evaluation model each weighted factor is multiplied by the score received. Thus if a Vendor received a price score eight (8) out of a possible ten (10), that score would then be multiplied by the assigned weight factor (e.g. 3), for a total price category score of twenty-four (24). This calculation would then be repeated for the other selection criteria and an aggregate score determined.
- The use of an evaluation model allows a reasonable method of quantifying subjective criteria which is equally applied to all vendors.
- Evaluation models are often used when a number of people and vendors are involved in the procurement decision.

Note: This method, or a similar one where the selection criteria can be quantified, is required when evaluating RFBs or RFPs which are subject to AIT and therefore have also been posted on a public website, e.g., BC BID.

8. An evaluation summary document must be created for each response clearly showing the point scores awarded, and the reasons for the allocation of said points.

After bids/proposals have closed and the end-user department has evaluated all the responses, in accordance with the evaluation criteria, a brief Letter of Justification (see instructions under Letter of Justification) will be sent to Procurement Services from the end user department before a Purchase Order or other form of contract will be issued. The purpose of this letter is not to determine if the end user department has made the right decision; in many cases, the level of expertise is greater at the department level than with the Procurement Services.

Upon the end user department selecting a preferred vendor, the end user department, with the assistance of Procurement Services, will enter into discussions with that vendor to attempt to finalize a formal written agreement, based primarily on this RFP and the preferred vendor's proposal.

The end user department, with the assistance of Procurement Services, reserves the right to request and negotiate changes to both the terms of the RFP and the vendor's proposal. The University will not have discussions with any other Proponent while it is attempting to finalize an agreement with the preferred vendor. If at any time it appears to the end user department that an agreement satisfactory to TRU is unlikely to be achieved, then the University may terminate discussions with that vendor, and at its election, select another vendor as the preferred vendor. In such an event, the provisions of this paragraph will apply to the newly selected preferred vendor.

Based solely on the selection criteria, the Preferred Vendor is selected. All documentation is to be returned to Procurement Services and should clearly indicate the Preferred Vendor as well as the items to be purchased.

9. Procurement Services will notify the Preferred Vendor and issue the Contract/Agreement and/or Purchase Order.
10. No goods and services are to be provided to the University until a fully executed Contract/Agreement and/or Purchase Order is in place.
11. Any revisions/corrections to Purchase Orders must be done by way of Change Order request.

Spending Authorities

All related transactions subject to the University's Purchasing Policy (BRD 2-2) are to be requested by University staff with approved Spending Authority (via online Purchase Requisition).

Approval of the University's operating budget by the Board of Governors and allocation of the operating budget to the University's operating units confers the **spending authority** to authorize expenditure within the amounts and scope of the accounts allotted to them in the budget, subject to the terms and conditions of the relevant purchasing or human resources policies and procedures, or specific directives or conventions within their operating units.

Procurement Services and Signing Authority

Subject to the University's Purchasing Policy (BRD 2-2), the Director, Ancillary Services, or the Associate Director, Procurement Services and Retail Sales, are authorized to enter into and execute on

behalf of the University contracts, agreements, and purchase orders for the supply of the goods and services including capital expenditures and goods for resale, processes and procedures.

Note: Only authorized University staff, in accordance with the **University's Signing Authority Policy (BRD 2-1)**, have the authority to sign contracts and agreements and bind (non-verbal or verbal) the University to the terms thereof. **This differs from the concept of Spending Authorities as noted above.**

Other Forms of Competitive Bids or Requests

Procurement Services has access, as part of its overall tool kit, to a number of competitive bid techniques and requests depending on the request that is being brought forward. Procurement Services as part of the consultation with the end user unit will determine which technique will be most advantageous to the University.

Request for Expression of Interest ("RFEI")

An RFEI is a process that can be followed to confirm which vendors are interested on competing for a project. An RFEI can also be issued to pre-qualify potential and interested vendors, who will then be invited to respond to a Request for Proposals. No contract awards are made directly from a request for expressions of interest.

Request for Information ("RFI")

An RFI is a procurement procedure where vendors are provided with a general or preliminary description of a problem or need, and are requested to provide information or advice about how to better define the problem or need, or alternative solutions. It may be used to assist in preparing a competitive bid document. No contract awards are made directly from a request for information.

Request for Qualification ("RFQ")

A RFQ is a procurement document used to invite vendors, if they meet the required qualification criteria, to register on a permanent source list or on a particular source list intended for a specific competition.

Document retention

All original documents, complete with supporting documentation, will be retained by Procurement Services for audit purposes. The retention period for these records is six years plus the current year.

**THOMPSON RIVERS UNIVERSITY PROCUREMENT SERVICES
Competitive Bid Thresholds**

A competitive bid process should be conducted based on procurement decision factors, the dollar value and complexity of the transaction. Refer to the table below.

DOLLAR (\$) VALUE				30K	100K	250K
GOODS	DISCRETION	COMPETITIVE BID (BC BID or Invitational)	COMPETITIVE BID Agreement on Internal Trade (BC BID)			
OPEN ORDERS (Standing & Blanket) GOOD AND SERVICES	DISCRETION	COMPETITIVE BID (BC BID or Invitational)	COMPETITIVE BID Agreement on Internal Trade (BC BID)			
GENERAL SERVICES	DISCRETION	COMPETITIVE BID (BC BID or Invitational)	COMPETITIVE BID Agreement on Internal Trade (BC BID)			
CONSULTING/ AGREEMENT FOR SERVICES	DISCRETION	COMPETITIVE BID (BC BID or Invitational)	COMPETITIVE BID Agreement on Internal Trade (BC BID)			
CONSTRUCTION SERVICES	DISCRETION	COMPETITIVE BID (BC BID or Invitational)			COMPETITIVE BID Agreement on Internal Trade (BC BID)	
DOLLAR (\$) VALUE						
30K						
100K						
250K						

\$ VALUE	Values mean the University's best estimate of the total cost (including applicable taxes) for an individual purchase or over the term of the contract. Purchases must not be "split" to circumvent the competitive bid processes.
DISCRETION	The competitive bid process (informal/formal) is at the discretion and delegation of Procurement Services.
COMPETITIVE BID (BC BID or invitational)	Competitive bid process may be invitational or via BC BID at discretion of Procurement Services.
COMPETITIVE BID Agreement on Internal Trade (BC BID)	Competitive bid process required, advertised on an approved electronic bid system such as the Province of BC's (BC BID) in compliance with the Agreement on Internal Trade (AIT) Annex 502.4.

Letter of Justification Instructions

After Request for Bids (RFB) or Request for Proposals (RFP) have closed and the department has evaluated all responses, in accordance with the Selection Criteria identified in the RFB/RFP, the department must send Procurement Services a brief Letter of Justification before a Purchase Order or other form of contract can be issued. The purpose of this letter is not to determine if the department has made the right decision; in many cases, the level of expertise is greater at the department level than with Procurement Services.

A Letter of Justification must be sent to Procurement Services as they are responsible to ensure that, in their evaluation, departments have considered the following:

- That the department used only the Selection Criteria listed in the tender document to evaluate Vendors;
- That the process to select the successful Vendor(s) and thereby eliminate the others was applied fairly to each Vendor and consistent with what was stated in the RFB or RFP;
- The Letter of Justification confirms that the University's competitive bid process was properly conducted (i.e., that all Vendors were treated fairly and evaluated equally).

When forwarding responses received to requests, Procurement Services should use the following form:

**LETTER OF JUSTIFICATION INSTRUCTIONS TO DEPARTMENTS
WHEN RESPONDING TO REQUEST FOR PROPOSALS**

Attached are the responses from our RFP # _____, a copy of which is also attached. We ask that you take note of the following before responding to this proposal.

1. All proposals must be treated in strict confidence.
2. No negotiations are allowed.
3. If Vendors must be contacted, it is only for the purposes of clarification.
4. Vendors are not allowed to make any additions/deletions.

When evaluating proposals, it is absolutely essential that we treat all Vendors fairly and that these Vendors feel that they were treated fairly. This means that all Vendors must be evaluated against the same selection criteria as stated in the RFP.

Before writing a Letter of Justification, turn to the Basis of Selection section regarding selection criteria discussed in the RFP. This is the criteria which must be used to evaluate this proposal.

Your Letter of Justification should take this same format and respond clearly to each of the points raised in the selection criteria. Possibly some points are more important than others, (if not critical).

Example Section Responses

EXAMPLE SECTION RESPONSES

Note: The Evaluation Criteria may vary in each RFB/RFP.

- Example in responding to Section _____ [generally in the RFP with the heading Basis of Selection], a proper qualified response might be:
"Only two (2) Vendors submitted acceptable systems, these being from Vendor "A" and Vendor "B". All other proposals lacked _____ which is a critical feature in the technology we wish to acquire. Of the two responses, Vendor "A" is preferred because of _____. This feature or element is lacking in the Vendor "B" proposal."
- Example in responding to [Identify the specific criteria (Section) under Basis of Selection]:
"Although the Vendor "A" proposal is more expensive, this premium in price is acceptable because of the specific advantages in their system, i.e.,"
- Example in responding to [Identify specific criteria (Section) under Selection Criteria]:
"No real difference between Vendor "A" and Vendor "B" in terms of experience; both would satisfy the University."
- Example in responding to [Identify specific criteria (Section) under Selection Criteria]:
"Quality of Vendor's Proposal; all Vendor Proposals were straightforward and acceptable. No real difference here – all would satisfy the University."

- *Example in responding to [Identify specific criteria (Section) under Selection Criteria]:
“Although Vendor “A” has the highest price, they also have the best warranty package offering eighteen (18) months as opposed to Vendor “B” warranty of twelve (12) months.”*

Your Letter of Justification should contain a brief summary statement in closing which highlights the key points which led to your decision to choose a particular Vendor.

Remember.... A well written letter is one where a Vendor may disagree with the final decision, but not with the fairness of the process used to achieve that decision.

Please feel free to contact Procurement Services if you require assistance.

Sincerely.....

Competitive Bid Exception Procedure

Overview

The competitive bid process ensures that the University receives the best overall value for the purchase of goods or services. Situations may arise where the opportunity to solicit competitive bids does not exist; the situation reclassified as a Sole Source Justification/AIT Competitive Bid Exception Request.

Purpose

The purpose of a Sole Source Justification/AIT Competitive Bid Exception Request is to provide justification to support foregoing the competitive bid process and proceeding directly to acquisition with a single or sole source vendor. An exception is not intended to avoid competition between vendors or to discriminate against vendors in any way.

Procedure

A Sole Source Justification/AIT Competitive Bid Exception Request is required for all single or sole source purchases that would exceed the university's competitive Bid Thresholds set out above. The following procedure outlines the steps involved in initiating a purchase involving a Sole Source Justification/AIT Competitive Bid Exception Request:

1. There must be only a sole source of supply for the goods or services required.
2. The requesting department should submit a completed online Purchase Requisition to Procurement Services clearly indicating the goods and/or services to be purchased, and the estimated purchase price. The online Purchase Requisition is the authorization to initiate the procurement process; it enables a Purchase Order or Agreement to be generated and provides the accounts to be entered into the system. The online Purchase Requisition must be signed by a university staff member with the requisite spending authority and include their printed name.

The requesting department should submit a completed Sole Source Justification/AIT Competitive Bid Exception Request to Procurement Services clearly stating the reasons for single or sole source acquisition. The reasons for a single or sole source acquisition must comply with the Agreement on Internal Trade (AIT) ANNEX 502.4 (MUSH Sector Procurement), Appendix "C" and "D" (Exceptions). All Sole Source Justification/AIT Competitive Bid Exception requests will be reviewed and approved by the Director, Ancillary Services, or where applicable, the Vice-President, Administration and Finance.

3. If the Sole Source Justification/AIT Competitive Bid Exception Request is approved, Procurement Services will proceed with the acquisition of the goods and services from the single or sole source of supply.
4. If the Sole Source Justification/AIT Competitive Bid Exception Request is not approved, Procurement Services, in consultation with the University end user will initiate a competitive bid process.

Relevant Documents (available on TRU Procurement Services Website):

- Sole Source Justification/AIT Competitive Bid Exception Request
- University’s Competitive Bid Thresholds and Procedures
- Agreement on Internal Trade (AIT) ANNEX 502.4 (MUSH Sector Procurement)

SOLE SOURCE JUSTIFICATION/AIT COMPEITTIVE BID EXCEPTION REQUEST

<p>Requisition Number: # _____</p> <p>Purchase Amount: \$ _____</p> <p>Description of Goods (Equipment)/Services exempted from Agreement on Internal Trade (AIT).</p>

I am submitting an online purchase requisition for the above-mentioned goods (equipment) or service(s). I understand and accept that the current Purchasing policy at Thompson Rivers University is to obtain competitive bids on purchase transactions that exceed \$30,000.00 under the University’s Competitive Bid Thresholds (matrix). I also understand and accept that Thompson Rivers University is bound to comply with the Agreement on Internal Trade (AIT) ANNEX 502.4 (MUSH Sector Procurement). The Annex requires that non-discriminatory procurement practices are followed by public sector organizations within Canada. AIT also requires that all purchases in excess of \$100,000.00 for goods and services and \$250,000.00 for construction be competitively bid electronically on a national basis. Thompson Rivers University is currently using the Province of British Columbia’s BC Bid, an electronic bidding system to advertise these business opportunities.

While understanding and accepting all of the above, I am requesting an exception to Thompson Rivers University’s Competitive Bid Procedures and the Agreement on Internal Trade (AIT), Annex 502.4 under Appendix “D” Exceptions – circumstances for Sole Supplier Procurement as follows:

- a) *to ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;*

- b) *where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;*
- c) *for the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;*
- d) *for the purposes of goods on a commodity market;*
- e) *If the University has decided to standardize on a single product or service as determined by the Vice-President, Administration and Finance.*
- f) *for work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;*
- g) *for work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;*
- h) *for a contract to be awarded to the winner of a design contest;*
- i) *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, experiment, study of original development, but not for any subsequent purchases;*
- j) *for the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases*
- k) *for the procurement of original works of art;*
- l) *for the procurement of subscriptions to newspapers, magazines or other periodicals; and*
- m) *for the procurement of real property.*

*The above exception(s) applies to this purchase for the following reasons:
(A detailed explanation to support your request for this exception is required.)*

All requests are subject to review by Procurement Services. All exception requests that are not approved will undergo the Thompson Rivers University's Competitive Bid Procedure as set out by Thompson Rivers University, and Agreement on Internal Trade, ANNEX 502.4 (MUSH Sector Procurement).

Signature _____ Date _____

Signatory Name _____ Signatory Title _____

**Contracting for Services Using an Agreement for Services (Contract) Procedure
(Contract for Professional / Consulting Services)**

Purpose

The University's Agreement for Services (contracting for professional or consulting services) ensures that the vendor is informed of its obligations including the services to be provided (the deliverables) and the schedule (timeframe) for these services to be completed. The University's obligations and concerns with respect to WorkSafeBC coverage, indemnity and insurance requirements, intellectual property and copyright as well as other contract terms and conditions are included in the contract.

Procedure - Scope

Currently, in accordance with University Purchasing Policy (BRD 2-2), this Procedure focuses on contracting for professional or consulting services within the dollar values specified hereinafter.

How to Contract for Professional/Consulting Services

Departments are advised to contact Procurement Services when first contemplating contracting for professional/consulting services. Contact either _____ or _____ who will provide advice on the procedures to follow and contract form to use depending upon the particular circumstance.

In addition, please be mindful that from a legal perspective it may be difficult to determine whether an individual is working for themselves (Independent Contractor) or working for an Employer (Employee). This determination is crucial. Where an employer/employee relationship exists in respect to the performance of services the University is required by law to provide statutory benefits and to follow specific source deduction and reporting procedures.

Staff must complete a training course sponsored by Procurement Services pertaining to the new Purchasing Policy and report processes.

Canada Revenue Agency (CRA) asks questions that relate to:

- the level of control the payer has over the worker;
- whether or not the worker provides the tools and equipment;
- whether the worker can subcontract the work or hire assistants;
- the degree of financial risk taken by the worker;

- the degree of responsibility for investment and management held by the worker;
- the worker's opportunity for profit; and
- any other relevant factors, such as written contracts.

CRA looks at the answers separately and then together. CRA considers whether or not they reflect the stated intention. When there is no common intent, CRA decides if the answers are more consistent with a contract of service (employment contract) or with a contract for services.

In order to assist with the transition and implementation of the new Signing Authority Policy and the new Purchasing Policy each individual who has signing authority and purchasing / questioning authority must attend a training session to be jointly presented by Financial Services and Procurement Services.

Considerations Regarding Dollar Values for Contracting for Services

In all of the situations listed below, departments are advised to contact _____ before the Vendor(s)/Contractor is approached.

Values of \$30,000 and less

In this dollar range, depending upon the contracting circumstances and degree of risk, authorization may be given by the Vice-President, Administration and Finance upon the recommendation of Ancillary Services, for a department to bypass the services of Procurement Services. The Professional Services Agreement (template) may be used.

Values of \$30,001 to \$100,000

In this dollar range, complete an online Purchase Requisition (Electronic Requisition) with the pertinent details forwarded to Procurement Services.

Values over \$100,000

Contracts over this value will require Procurement Services to initiate a competitive bid process.

Note: all purchase in excess of the University Competitive Bid Thresholds are subject to the University Competitive Bid Procedure.

Process/Procures for Establishing an Agreement for Services

After initial discussions have taken place between the end user department and Procurement Services and it has been concluded that the Agreement for Services is to be used, the following steps should take place.

- Procurement Services will provide a template Agreement for Services and the end user department will complete all basic information, i.e., Vendor/Contractor name, term of contract, specific services, deliverables to be performed, etc.
- The Agreement for Services is then forwarded with an online Purchase Requisition (hard copy) to Procurement Services.

- Procurement Services may make alterations/additions to the Agreement for Services to ensure that it is appropriate to the contract situation and that the University is adequately protected. Procurement Services will contact the end user to review the Agreement for Services and to ensure that the end user understands the terms and conditions of the Agreement for Services and what their responsibilities are.
- The Agreement for Services (with a Purchase Order) will then be forwarded to the Contractor for signature. Once the signed Agreement has been returned, the Contractor retains a copy and a copy will be forwarded to the end user department.
- The end user department administers the contract (Agreement for Services) and informs Procurement Services of any significant problems or breaches.
- End users are advised that the Vendor will be required to carry a minimum of **\$1,000,000** General Liability insurance. Furthermore, depending on the perceived contract risk, the Vendor may have to carry Professional Liability insurance which may be asked for as part of the initial discussions. Questions regarding specific insurance requirements can be directed to the Office of the Vice-President, Administration and Finance.

Potential Problem Areas

When completing an Agreement for Services, departments are advised to pay particular attention to the following concerns:

1. Services to Be Performed By the Contractor

It is essential that the services to be performed, (deliverables), be clearly and simply defined in such a way that if a dispute arose, an independent third party could refer to the agreement and the services to be performed would be clearly stated and not open to interpretation.

2. Compensation/Expenses

How is the Vendor/Contractor to be paid?

- a) If on a per hour basis, there should be a maximum amount which cannot be exceeded where all work is to be completed "to the University's full satisfaction". If there are a number of deliverables, it is advisable to have the contractor provide a maximum amount for the completion of each deliverable (or if possible a fixed fee), as well as specify a completion date for each deliverable. Payment is then based upon the satisfactory and timely completion of each deliverable.
- b) The point to keep in mind, however, is that the Vendor/Contractor is to be paid, either per hour or upon satisfactory completion of the deliverable, and it is important that both parties understand this and agree at the outset before the Agreement for Services is signed.
- c) End-users are responsible for authorizing invoices for payment approval and forwarding these to Accounts Payable, in addition to managing the contract.

3. Non-resident Withholding Taxes

Departments are reminded that non-resident withholding taxes, usually 15%, must be deducted on payment to Vendor/Contractors who are not residents of Canada, for services provided in Canada, unless the Vendor obtains a waiver in advance from the Canada Revenue Agency.