



Purchasing Procedure	
Parent Policy: Purchasing Policy	
Category: Administrative	Approval Date: December 14, 2022
Procedure Owner: Vice President, Finance and Administration & CFO	Effective Date: January 2, 2023
Procedure Administrator: Manager, Procure to Pay and Business Operations	Review Period: 3 years
Associated Documents: Purchasing Manual Purchase Requisition Form Direct Award (Single/Sole Source) Request Form Change Order Request Form	

PURPOSE

This document is intended to outline Red Deer Polytechnic (RDP) processes and obligations related to sourcing, approving, purchasing and receiving goods and services at RDP.

PROCEDURE

Purchasing Thresholds

1. As a public entity, RDP's purchases are subject to all applicable trade agreements' rules and thresholds. A procurement that falls below **all** of the applicable thresholds is not subject to the procurement obligations of any trade agreements but may be subject to the RDP Purchasing Policy.
2. Purchases, other than those specifically exempted within the Purchasing Policy, are subject to the Quoting Process, as shown in the Table 1.
3. Knowingly or purposefully separating a purchase into smaller pieces with the intent to circumvent policies and procedures (known as purchase splitting) is strictly prohibited.
4. It is highly recommended, but not required, that any procurement of goods and services below the competitive bid threshold has a minimum of two written quotes.
5. 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 Procure to Pay (P2P) in Finance for review and approval prior to the purchase.

Table 1 Purchasing Thresholds

	Direct Award	Quoting Process (Minimum of 2 written quotes required)	Competitive Bidding
General Goods and Services	< \$20,000	\$20,001 - \$75,000	> \$75,000
Construction	< \$20,000	\$20,001 - \$200,000	> \$200,000
Consulting and Professional Services	< \$75,000	-	> \$75,000

Competitive Bid Process

1. Procurement obligations set out by the trade agreements are triggered when a procuring entity contemplates a procurement valued at or above certain specified thresholds. RDP is required to follow the MASH Sector thresholds. Refer to [Appendix A](#) for details.
2. Procure to Pay in Finance conducts and manages the competitive bidding process at RDP. At the discretion of P2P, the organization may conduct the competitive bidding process for purchases less than the identified thresholds in order to manage risks, assess the value commitment over time or when it is perceived beneficial to the organization.
3. Requests for an exemption to the competitive bid process may be considered in rare circumstances where it can be demonstrated that the exemption complies with the provisions of the applicable trade agreements. Single/Sole source exemptions provisions are referenced in the [Appendix B](#).
 - 3.1. A Direct Award (Single/Sole Source) request is submitted to P2P for a review and decision any time a direct award is considered.
 - 3.2. Procure to Pay reviews and advises on all circumstances that are considered for exemption.

Quoting Process

1. The Quoting 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 (refer to [Appendix B](#)) and follow the procedure outlined in the Purchasing Manual.
2. Commodities listed below in Table 2 are excluded from the Quoting Process.

Table 2 Commodities Not Subject the Quoting Process

VALUE	COMMODITIES
< \$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	<ul style="list-style-type: none"> • Legal and notary services • Treasury and financial services • Library materials

Purchasing Methods

1. Purchasing methods are required in all purchasing situations except the following:
 - 1.1. For emergency repairs due to operational safety requirements. Where possible, P2P in Finance must be notified in writing of these situations prior to the purchase;
 - 1.2. Legal and notary services;
 - 1.3. Treasury and financial services; and
 - 1.4. Acquisitions of all formats of library collection materials.
2. The purchasing method used must be appropriate to the Purchase Value and the type of good/service purchased. The RDP authorized purchasing methods and their applications are further described in the Purchasing Manual.
3. Continual supply of goods and/or services contracts should be awarded for a maximum of a five-year initial term. Any continued supply with the initial term of more than five years must be pre-approved by the appropriate Vice President.

Designated Suppliers

1. RDP has entered or may enter into agreements for the purchase of certain Goods, Services and Construction services from designated suppliers to leverage the institution's purchasing power or to realize savings and efficiencies. All RDP employees must adhere to these agreements as outlined below in Table 3.

Table 3 Designated Suppliers

COMMODITY	SUPPLIER
Office Supplies	Staples Advantage
Travel Management	Vision Travel

Inter-department Purchases

1. Polytechnic Schools/Departments rely on expertise and assistance of select internal departments for purchases of select goods and services.
2. A list of Polytechnic service departments that provide assistance and/or acquisition of the select goods and services is provided in Table 4.

Table 4 RDP Service Departments

DEPARTMENT	GOODS/SERVICES
Campus Management	Office furniture Construction including modifications or additions to facility space
Print Centre	Bond paper for use in printers and copiers
IT Services/Finance	Computer technology (except IT peripherals) Mobile phones
Risk, Privacy and Legal Services	Insurance
Marketing and Communications	Marketing and advertising services

Buying Groups

1. RDP may join or form a Buying Group.
2. When RDP participates in a Buying Group, it ensures that any procurement undertaken is carried out in a manner consistent with RDP's obligations under legislation, regulation, and law.

Conflict of Interest

1. Perceived or actual conflict of interest in a course of procurement process is a subject to disclosure.
2. Process for reporting and dealing with conflict of interest in the purchasing process including identification, disclosure, and management is found in the Purchasing Manual.

Records

1. All purchasing decisions and transactions are properly recorded and documented.
2. RDP informs its suppliers that the records created or obtained during the purchasing process may be subject to the *Freedom of Information and Protection of Privacy Act* (FOIP).

Receiving Process

1. All **Goods** delivered to RDP should be received by Shipping and Receiving with the exception of desktop delivery where RDP has contracted a supplier to deliver goods directly to departments).
 - 1.1. Goods are primarily delivered to the Shipping & Receiving dock; however, where this is not possible or practical, goods can be received at other loading docs or installed directly on location at the campus. Prior arrangements must be made with Shipping & Receiving so that they can confirm and record the receipt of those goods.
 - 1.2. For small incidental goods that are picked up and brought to RDP or where RDP has contracted for desktop delivery, a second person from the ordering department (other than the person that placed the order) needs to confirm and record the receipt of the goods.
2. Confirmation of the satisfactory performance of **Services** is the sole responsibility of the ordering department.

Compliance

1. Procurement decisions and activities are subject to internal and external review.
2. Incompliances are tracked and periodically reported to the Vice President, Finance, Administration & CFO. Reported exceptions will include an action plan and timeline to address any identified non-compliances.

DEFINITIONS

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 Procure to Pay office in consultation with the School/Department.

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: expert or strategic advice 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 RDP for consideration and decision-making.

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

Goods: means physical goods that can be produced, bought and sold.

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

Purchase Value: estimated total 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, excluding taxes.

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

Services: means intangible products that do not have a physical presence, including software products, consulting services and professional services.

APPENDIX A

Thresholds Under Trade Agreement

Table 5 Thresholds Under Trade Agreements Effective Jan 2022

Trade Agreement	Procurement Type	Ministries /Departments	Crown Corporations	MASH Sector
NWPTA	Goods	\$10,000	\$25,000	\$75,000
	Services	\$75,000	\$100,000	\$75,000
	Construction	\$100,000	\$100,000	\$200,000
CFTA	Goods	\$30,300	\$605,600	\$121,200
	Services	\$121,200	\$605,600	\$121,200
	Construction	\$121,200	\$6,056,100	\$302,900
CETA	Goods	\$366,800	\$651,000	\$366,800
	Services	\$366,800	\$651,000	\$366,800
	Construction	\$9,100,000	\$9,100,000	\$9,100,000
UK	Goods	\$366,800	\$651,000	\$366,800
	Services	\$366,800	\$651,000	\$366,800
	Construction	\$9,100,000	\$9,100,000	\$9,100,000
WTO/GPA	Goods	\$651,000	Not Covered	
	Services	\$651,000		
	Construction	\$9,100,000		
CPTPP	Goods	\$651,000	Not Covered	
	Services	\$651,000		
	Construction	\$9,100,000		
NOTE:				
Thresholds for the CFTA, CETA, UK, GPA and CPTPP are adjusted every two years. The next update is due in January 2024.				

APPENDIX B

Direct Award (Single/Sole Source) Exemption Provisions

PROVISION DESCRIPTION	TRADE AGREEMENT CROSS-REFERENCE
(a) For products requiring compatibility and/or in respect of proprietary rights including: <ul style="list-style-type: none"> i. to ensure compatibility with existing products, or ii. to recognize exclusive rights, licenses, copyrights and/or patent rights, or iii. to maintain specialized products that must be maintained by the manufacturer or its representative 	CFTA Article 513(b) v and 513(b) ii
(b) Where there is an absence of competition for technical reasons	CFTA Article 513(b) iii
(c) For the procurement of goods and/or services, the supply of which is controlled by a supplier that is a statutory monopoly	CFTA Article 513(b) iv
(d) For the purchase of goods on a commodity market	CFTA Article 513(e)
(e) For work to be performed on or about a leased building or portions thereof that may be performed only by the Lessor	CFTA Article 513(b) vii
(f) For work to be performed on a property by a contractor according to the provisions of a warranty or guarantee held in respect of the property or original work	CFTA Article 513(b) vi
(g) For a contract to be awarded to the winner of a design contest	CFTA Article 513(h)
(h) For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development but not for any subsequent purchases	CFTA Article 513(f)
(i) For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases	CFTA Article 513(g)
(j) For the procurement of an original work of art	CFTA Article 513(b) i
(k) For the procurement of subscriptions to newspapers, magazines or other periodicals	CFTA Article 513(b) viii
(l) For additional deliveries by the original supplier of goods and/or services that were not included in the initial procurement if a change of supplier for such additional goods and/or services: <ul style="list-style-type: none"> i. Cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or 	CFTA Article 513(c)

<p>installations procured under the initial procurement, and</p> <p>ii. Would cause significant inconvenience or substantial duplication of costs for the purchaser</p>	
<p>(m) If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the purchasing entity, the goods and/or services could not be obtained in time using open tendering</p>	<p>CFTA Article 513(d)</p>
<p>(n) If good and/or services are regarding matters of a confidential or privileged nature and the disclosure of those matters through an open tendering process could reasonably be expected to compromise confidentiality, result in the waiver of privilege, cause economic disruption or otherwise be contrary to the public interest</p>	<p>CFTA Article 513(i)</p>