POLICY:		POLICY NUMBER:
Purchasing Policy and Procedures		**FI-1**
		PREVIOUS/REPLACES: **Purchasing Procedures and Guidelines** **Purchasing Authority Policy**
APPROVED BY: **Executive Council**	EFFECTIVE DATE AS OF: **June 13, 2024**	PRIOR VERSIONS: **March 2, 2021** **September 1, 2020** **November 21, 2018** **March 13, 2017** **November 23, 2016**

1. Policy Statement:

The purpose of this policy is to develop the principles that guide all purchasing decisions made at the Manitoba Institute of Trades and Technology (to be referred to as MITT). MITT recognizes the need for a purchasing function that is controlled at the appropriate level of authority and will not exceed budget allocations provided.

MITT is committed to obtaining the best value for the total acquisition cost of all goods and services purchased and to maintain the highest ethical standards in dealing with suppliers. Value includes price, quality and service. To facilitate and encourage the timely purchase of goods and services, and to ensure its commitment to accountability, transparency, efficiency and equity MITT has adopted the following purchasing policy.

a. Guiding Principles:

- Purchasing activities shall be consistent with MITT's mission, vision, values and strategic priorities;
- MITT will use a fair and open process when calling for, receiving, and evaluating quotations and tenders;
- MITT will meet its statutory, legal and ethical obligations in the acquisition of goods and services by purchase or lease;
- MITT will employ trained staff skilled in purchasing techniques including negotiating, contractual terms and conditions, cost reduction techniques, and cooperative buying processes;
- Whenever possible purchases should be made with the use of MITT purchase orders. In the event purchase orders cannot be used corporate Visas, petty cash or expense claims can be used. In all cases the appropriate authorization is required.
- Purchasing decisions will be based on value for money, balancing price with economy, efficiency and effectiveness of the goods or services being acquired. Although price is a very important consideration, the lowest bid is not guaranteed to win a bidding process;

- MITT purchasing decisions shall consider not only the immediate up-front cost purchases, but also the on-going and future costs associated with the purchase;

- MITT is committed to promoting the value of sustainability. Where possible MITT will consider sustainability standards in its decision making process;

- All acquisitions of goods and services shall be pursuant to the procedures issued in this policy and guidelines created from time to time by the Finance Department.

b. Conflict of Interest:

- MITT shall not acquire goods and services from a business or entity owned by an officer or employee of MITT or from anyone who is not at arm's length from any officer or employee, including any corporation or other business entity in which an employee or someone which whom they have a non-arms length relationship holds a controlling interest (either directly or indirectly).

- No MITT employee shall take any steps to authorize, influence or participate in the acquisition of goods or services from any corporation or other business entity in which the employee or those with whom they have a non-arms length relationship hold a controlling interest (either directly or indirectly).

- Notwithstanding the foregoing, in rare circumstances, if and when appropriate and in the best interest of MITT, upon full disclosure of a conflict or the perception of a conflict, the respective Executive Council Member may consider whether any such conflict exists and if so whether it may be waived or otherwise resolved, and may thereafter and on such terms as are deemed appropriate, approve a proposed acquisition from a MITT employee or a person or entity not at arms length from the employee.

- MITT shall not seek to acquire goods or services from any member of the Governing Board or any person or business entity in which a board member or person who is not arms length from a board member holds a substantial interest (either directly or indirectly), accept insofar as any such dealings are approved in advance pursuant to the Board Governance Manual policy on conflict of interest.

2. Scope:

This policy applies to all employees of MITT that engage in purchasing activities including use of credit cards, leases and rentals.

3. Procedure:

3.1 Authority Levels and Responsibilities:

a. The Governing Board of MITT by resolution delegates its signing authority to the President of MITT within prescribed limits. Within this framework, the President of MITT has delegated authority levels for the purchase of goods and services.

b. Purchasing authority levels are delegated in order to enable MITT to execute purchase requirements, contracts, and agreements.

c. Under certain circumstances such as absence, vacation, or a situation where the signing authority must recuse themselves (e.g. see Acceptance of Gifts by Employees Policy), the signing authority may delegate their authority on a temporary basis to another individual who is no more than one level below their authority levels as indicated in the tables below. This provision does not apply for expenditures in the $500-$10,000 category; signing authority cannot be delegated to a lower level for these expenditures.

d. Program budget development and monitoring is a responsibility of the respective budget centre manager or designate.

e. Purchasing authorities are based on approved operating and capital budgets. Transactions that exceed budget authority require approval of the Governing Board, except for purchases which are required that generate an offsetting revenue stream.

f. Purchasing authorities in the following tables only apply if they do not cause a deficit or grow a previously approved deficit. Any such expenditure requires approval from the Governing Board.

g. The following table stipulates the purchasing authority for budget purchases (other than independent contractors). Dollar limits are exclusive of taxes:

Amount	Purchasing Authority	RFP/RFQ or Tender Required
Less than $500[1]	Employee delegated by their Manager.	Not Required.
$500 - $10,000	Respective Budget Centre Manager.	1 written quote, 2 if available.
$10,001 - $20,000	Respective Directors and Budget Centre Manager	Quote from a minimum of 2 suppliers.
$20,001 - $50,000[2]	Respective Vice-President, Associate Vice-President and Vice-President, Finance & Campus Services and Respective Budget Centre Manager (where applicable).	Quote from a minimum of 3 suppliers.
$50,001-$74,999	President and Vice-President, Finance & Campus Services and Respective Vice-President, Associate Vice-President and Budget Centre Manager (where applicable).	Quote from a minimum of 3 suppliers.
$75,000 - $500,000	President and Vice-President, Finance & Campus Services and Respective Vice-President, Associate Vice-President and Budget Centre Manager (where applicable).	Tender Required
Greater than $500,000	Governing Board	Tender Required

[1] The Department of Finance will maintain a list of all employees that have delegated authority to make purchases for up to $500.

[2] If expense falls under the cost centre of the Vice-President, Finance & Campus Services, it must also be approved by the President.

h. Authority levels to enter into a contractual agreement with an independent contractor that provides professional services is as follows (dollar limits are exclusive of taxes):

Amount	Purchasing Authority	RFP/RFQ or Tender Required
Less than $50,000	Respective Vice-President, Associate Vice-President and Vice-President, Finance & Campus Services and Respective Budget Centre Manager (where applicable).	Not Required.
$50,001 - $74,999	President and Vice-President, Finance & Campus Services and Respective Vice-President, Associate Vice-President and Budget Centre Manger (where applicable)	Quote from a minimum of 3 suppliers.
$75,000 - $500,000	President and Vice-President, Finance & Campus Services and Respective Vice-President, Associate Vice-President and Budget Centre Manager (where applicable).	Tender Required
Greater than $500,000	Governing Board	Tender Required

i. In the case where the relationship with the independent contractor is on an on-going basis such as the use of an external auditor or legal counsel, the RFP/RFQ or tender is required once every five years.

j. An open purchase order can be created for the ongoing purchase of supplies. It cannot exceed $5,000.

k. Work orders that provide 100% cost recovery to MITT do not need approval by the respective budget centre manager if the value does not exceed $2,000.

l. Structuring, separating or splitting purchases in order to lower the dollar value to fall below the purchasing authority thresholds is strictly prohibited. Any MITT employee found to have violated this provision may face disciplinary action.

3.2 Purchasing Process:

a. The acquisition of services, supplies, materials and equipment shall be coordinated through the Finance department and respective budget centre manager who is responsible for the budget allocation being accessed.

b. Purchases shall generally be made by means of a purchase order as this is an indication of prior approval at the appropriate level. Use of a cheque requisition form approved by the individual responsible for the budget allocation being accessed should only be used where a purchase order could not be used. Completion of an expense report is also permitted. Use of a corporate credit card is an acceptable method of purchase only where a purchase order or request for cheque is operationally not feasible.

c. The petty cash fund may be used to make purchases if there are no other alternatives available up to a maximum of $30.00 per occurrence/day.

d. All products being purchased are required to have a purchase order issued and approved prior to the item being purchased. A copy of this PO must be submitted to finance once it is approved.

e. When a product is received the person who receives the product must sign and date the packing slip, the signed slip should then be submitted to finance. If no packing slip was received then an email is sent to the finance department indicating receipt of the product.

f. All invoices or (and) purchase orders for the prior month are to be submitted to finance no later than the 3rd business day of the following month.

g. Purchase order must be approved by the respective budget centre manager or designate or higher level authority when applicable prior to being submitted to Finance.

3.3 Tenders, RFPs and RFQs

a. Requests for Quotes or Proposals (RFQ &RFP)

- A request for quote or proposal shall be solicited in connection with projects or items with a unit value of $500, up to $74,999 (excluding taxes). In the case of an independent contractor that provides professional services, a RFP or RFQ is required for contracts between $50,001 and up to $74,999 (excluding taxes). Refer to the previous tables in section 3.1 that details authority levels and number of quotes required.

- At a minimum all RFPs and RFQs between the value of $50,000 and $74,999 must posted on MITT's website.

- Every competitive process shall establish evaluation criteria that will be used to make the bid selection decision. The evaluation methodology and process to be used in assessing a supplier's submission must be disclosed in the competitive documents.

- A copy of the summary sheet will be attached to the file copy of the purchase order or cheque reacquisition and the summary sheet with all quotations attached will kept on file.

- A summary of all proposals received and a description of the deliberations of those persons reviewing proposals and determining the RFP award must be attached to the purchase order or cheque requisition.

- A requirement for more than the minimum number of proposals or to proceed to a tender can be required when circumstances warrant as determined by any member of Executive Council.

b. Manitoba Institute of Trades and Technology Tenders

- When the value of a contract or purchase exceeds $75,000, MITT will initiate tenders under its own name following this format:
    - All tender advertisements shall be made over the name and title of the President, Vice President or Associate Vice President. Where information regarding specifications or any other aspect of the tender may be better known by a staff person other than the aforementioned that person's name and title may be used in the public advertisement.

- All tenders in excess of $75,000 must be posted on Manitoba's electronic tendering system (MERX) to ensure accessibility is equal to all Canadian suppliers. The Institute may also wish to post such tender documents on the MITT website.

- All tenders shall establish evaluation criteria that will be used to make the bid selection decision. The evaluation methodology and process to be used in assessing a supplier's submission must be disclosed in the competitive documents.

- A file shall be developed for every tender and shall be available for review by the Governing Board members upon individual request. The said file shall contain the following:
    - a copy of the tender advertisement;
    - general and specific conditions of the tender;
    - tender forms submitted by tenderers;
    - a tabulation of bids received;
    - a report containing a description of the deliberations of those persons reviewing tenders and determining the tender award, the said report to detail any unusual factors influencing the award.

- The following tenders/purchases shall be presented to the Governing Board for decisions:
    - Transactions that exceed budget authority as approved by the Board;
    - Items with the value exceeding $500,000 (taxes excluded)

- All other tenders may be awarded by the President or designate.

- Information respecting the amount of an awarded tender or call for proposals shall be divulged to unsuccessful bidders. Information on amounts of tenders not accepted shall not be divulged.

c. Other Metro School Divisions Committee Tenders

- MITT cooperates with Metro School Divisions Committee for specific tendered items acceptable for Institute use. In these instances, MITT will opt into other group or school division tenders for items deemed acceptable for its purpose. Items not meeting MITT specific requirements will be purchased through RFP or ongoing as appropriate at the

most cost effective price possible.

d. Waiver of Quotation, Proposal or Tender

In limited circumstances as detailed below, a quotation, proposal or tender will not be required.

- Where the product or service can only be reasonably delivered by a single supplier. The Finance department will keep documentation on file that supports this fact;
- An emergency or urgent situation exists;
- Where obtaining quotes would compromise MITT security, e.g.: locksmiths, security systems;
- A need is established for the acquisition of goods and/or services for which only a specialized or proprietary requirement can be identified. In such cases, the authorized individuals may choose the best overall value to MITT from one or more invited proposals.

e. Ongoing Purchases (Vendor Negotiated)

- Certain supplies and services are purchased on an ongoing basis throughout the year and a tender or RFP is not possible because the specific items required are not known until the point when they are required. Examples of supplies and services that would fall under this regulation are:
    - administration office supplies;
    - program specific supplies and materials;
    - food supplies;
    - items for resale to the public (in departments providing services to the public)
- Annually, the person responsible for departmental/program purchasing will contact a minimum of three vendors for the supply and service in situations where the cumulative value of the contract is significant to ensure MITT is receiving the best value for its money and attempt to negotiate a reduced rate for the following year.
- The employee responsible for departmental or program purchasing shall submit a report to the respective budget centre manager when these negotiations take place or indicate the reasons should negotiations have not been completed.
- Specific procedures of ordering and purchasing of certain supplies (e.g. stationary) can be developed by Finance department in order to facilitate the purchase process. These procedures must be approved by the Vice-President, Finance & Campus Services or the President.

f. Records Retention

- All procurement documents as well as any other pertinent information for reporting and auditing purposes must be maintained for a period of seven years and be in a recoverable form if requested. Additional guidelines on records retention are detailed in the publication *Guidelines on the Retention and Disposition of School Division/District Records* as published by the Government of Manitoba.

3.4 Request for Prequalification of Vendors (RFPQ)

a. MITT may at its discretion establish a list of prequalified vendors for procurement contracts. The process is the method by which licensed contractors can be pre-qualified to bid on specified construction and capital projects as determined by MITT.

b. A request for pre-qualification (RFPQ) will be communicated on MITTs website.

c. The RFPQ will outline the requirements for the submission, the selection process and related conditions and specifications.

d. The purpose of the RFPQ is to obtain submissions from contractors to determine who are qualified, based on the criteria developed by MITT to undertake the work.

e. MITT will use the list of prequalified vendors to work on specified projects. Anyone not on the list will be excluded from the opportunity to bid on works that fall within the specific project associated with the RFPQ.

f. The list will be subject to annual review. New applications will be reviewed on an annual basis with the ability to get added onto the list.

3.5 Process for Handling Disputes

The dispute resolution process allows suppliers to submit a protest concerning any aspect of the procurement process. The process is as follows:

a. Where a dispute arises, resolution will first be addressed by the staff member named on the purchase order;

b. If a resolution cannot be resolved, the dispute shall be forwarded in writing which communicates concerns or complaints to the Finance department who will meet with the supplier to discuss the dispute;

c. If no satisfactory resolution has been reached, the supplier may appeal in writing to the Vice-President, Finance and Campus Services of MITT whose decision will be final and conclusive.

4. Administration:

The Vice-President, Finance and Campus Services is responsible for ensuring this policy is adhered to.

5. **Review:**

The Vice-President, Finance and Campus Services will review this policy annually and provide any recommended changes to Executive Council.

This policy shall remain in effect until amended or revoked regardless of the annual review.

6. **Reference:**

Conflict of Interest Policy
Expense Reimbursement Standards Policy
Progressive Discipline Policy
Code of Conduct & Staff Ethics
Travel Expense Policy and Procedures Agreement
on Internal Trade (AIT)
New West Partnership Trade Agreement

7. **Definitions:**

Arm's Length: The condition or fact that the parties to a transaction are independent of each other and do not have a special relationship, such as being a relative or close personal relationship.

Budget Centre Manager: Managers, Dean, Directors, Senior Administration, or designates responsible for management of a cost centre.

Capital: Capital refers to any tangible item (e.g., land, buildings, site improvements, furniture or equipment) or intangible items (e.g., purchase of software license) with a cost in excess of $10,000 and is intended to have an economic life of more than one year.

Contract: Any written or verbal arrangement (agreement, contract, letter of intent, memorandum of understanding or similar) that creates a legally binding commitment for MITT.

Emergency or Urgent Order: A situation when goods, services, or construction cannot be obtained by means of an open procurement procedure due to an unforeseen situation of urgency. Emergencies may include but are not limited to the following situations:

- Where employee, student or public safety is in question;
- To prevent damage to MITT facilities
- To restore essential equipment to service;
- To restore essential physical plan services.

Independent Contractor to Provide Professional Services: Is an individual or business supplying non-employment services to MITT. Examples of these services include consulting work, legal or accounting services, contractors that provide services in international markets, or other professional services.

Purchases: Defined as goods and services both operating and capital acquired for the operations of MITT.

Request for Proposal (RFP): Refers to a bidding process inviting suppliers to submit a proposal to provide MITT with a specific good or service. An RFP typically involves more than a request for the price. Other requested information may include basic corporate information and history, financial information, technical capability, product information such as stock availability and estimated completion period, and customer references that can be checked to determine a company's suitability. RFPs are typically used when an RFQ won't suffice.

Request for Quote (RFQ): Refers to a bidding process where suppliers submit pricing to MITT for a specific good or service. The RFQ is typically used when discussions with bidders are not required (mainly when the specifications of a product or service are already known) and when price is the main or only factor in selecting the successful bidder.

Tender: A tender refers to a bidding process for large projects in excess of $75,000. Tenders are widely disseminated and posted on MERX (national electronic tendering process). The invitation to tender document contains detailed specifications for the performance of the work as well as detailed qualifications and requirements that the bidders must meet.