

<b>POLICY NAME</b>	<b>PROCUREMENT POLICY</b>
<b>Approving body</b>	Board of Governors
<b>Initial approval date</b>	April 26, 2013
<b>Date of last review</b>	April 26, 2018
<b>Date of next review</b>	April 26, 2023
<b>Executive sponsor</b>	Vice-President (Administration and Finance)

<b>Related documents</b>	<ul style="list-style-type: none"> <li>• Policy on the Approval of Contracts and Designation of Signing Authority</li> <li>• Purchase Order Procedure</li> <li>• PCard Procedure</li> <li>• IT Asset Management Procedure</li> <li>• Research Asset Management Procedure</li> <li>• Contract Management Internal Guidelines</li> </ul>
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## **PART I – PURPOSE AND SCOPE**

### **1.1. PURPOSE**

- 1.1.1. The purpose of the Procurement Policy is to establish a mandatory, unambiguous model for procurement activities conducted at the University.
- 1.1.2. The Procurement Policy serves as a basic framework to ensure transparency and impartiality in procurement activities, while adhering to the legal and regulatory context within which the University must operate. It favours the development of a normalized process, allowing for the dynamic evolution of systems and resources in alignment with stakeholder needs and against which to survey procurement trends and performance in key areas of interest.
- 1.1.3. The fundamental principles elaborated in Part II aim to reflect the University’s standards of excellence in achievement and reputation, and to describe its dedication to operating responsibly with contractors and local communities, in light of relevant regulations. Their adoption serves to set a range of expectations and commitments that University faculty and staff are accountable for, when called upon to carry out procurement activities.
- 1.1.4. University employees who willfully, repeatedly circumvent or materially fail to comply with the Procurement Policy may have their procurement responsibilities suspended or revoked, and may face disciplinary action, including termination of employment, and may also be held personally liable for damages caused to the University.

1.1.5. The Procurement Policy sanctions the role and the empowerment of Procurement Services to act as the supervisory body responsible for monitoring and enforcing adherence to its contents, and for bolstering it through the implementation of the necessary processes, tools, and support structure, as further detailed in Section 2.2.

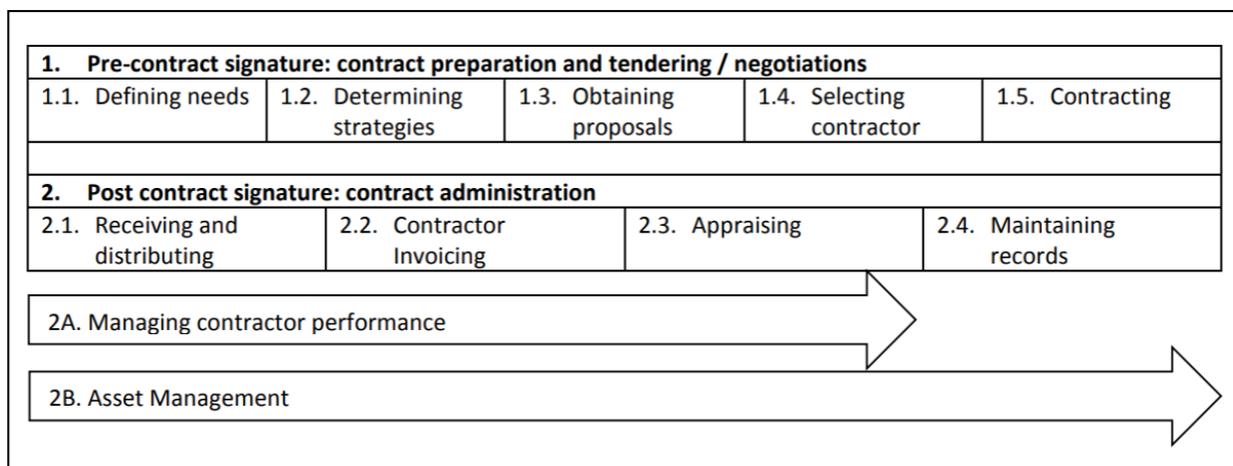
**1.2. SCOPE**

1.2.1. The Procurement Policy governs all procurement contracts and applies:

- to the full scope of procurement activities of the procurement cycle
- to every purchase, rental or lease made on behalf of the University or one of its joint ventures, subsidiaries or committees (e.g. pension committee, audit committee, etc.)
- to all goods, services, capital expenditures, and goods for donation or resale
- indiscriminately of the source of funding
- whether funds are held in trust or placed at the disposal of the University
- notwithstanding the expense’s allocation to any account category

1.2.2. The Procurement Policy applies to all faculties, departments and units of the University and all their staff members (including all temporary and full-time academic, administrative and support staff), and any and all other authorized agents and representatives of the University, wherever located, no matter their level of knowledge (or lack thereof) of the contents of the Procurement Policy. Responsibility for adhering to the fundamental principles hereunder is assumed whenever engaging in procurement activities at the University.

1.2.3. For clarity, a procurement contract signifies any contract, of any value, entered into in order to acquire goods, services or construction works from an external, non-institutional source. All procurement contracts phase through the procurement cycle, which encompasses the following:



## **PART II – FUNDAMENTAL PRINCIPLES AND STRATEGY**

### **2.1. FUNDAMENTAL PRINCIPLES**

2.1.1. The University demands the highest standards of personal ethics and organizational integrity in its procurement activities.

- a) It is a pre-condition to any procurement activity at the University that it be free of conflict of interest and complies with applicable regulations. Specifically, individuals engaging in procurement activities on behalf of the University, including Signing Officers, have an obligation to report personal relationships with current and potential contractors when they become involved in selecting, managing or evaluating such contractors. Moreover, members of the University community must not hold significant financial interest in any contractor to the University, unless:
  - i. their interests have been disclosed in accordance with regulations;
  - ii. their duties at the University will not require them to make decisions that could be influenced by these interests; and
  - iii. the referenced relationship has been reviewed and approved in light of the above.
- b) The solicitation or acceptance of gifts, gratuities, entertainment, or any improper contributions is prohibited, and payments, direct or indirect, are to be made or accepted solely for legitimate business transactions. Soliciting contractors for donations or charity is restricted to official University channels.
- c) The University values contractors who preserve irreproachable ethical behaviour and are committed to good corporate values. Adhesion by the contractors to the ethical and professionalism expectations set by the University is a condition to any contract award.

2.1.2. The University holds that its contractors must be allowed to participate in fair competition for the supply contracts awarded by the University, in accordance with their qualifications.

- a) This presupposes that its procurement activities are conducted in an equitable manner, without irregularity or the appearance of irregularity, and supported by objective contract awarding methods that guarantee transparency and promote impartial decision-making. Conversely, the University prohibits participation in restrictive trade practices, intentional restriction of competition, unsanctioned boycotting as well as other unfair competition activities.
- b) This principle of Equity also forbids the unauthorized sharing of privileged contractor information with their competitors. This includes prices and pricing methods, bidding strategies, contract terms and conditions, technology, specifications, drawings and know-how, which must thus be treated in strict confidence and preserved securely, being used exclusively for the purpose for which the information was provided.

2.1.3. The University believes that its ultimate success in sustainable development depends on its principal actors being dedicated to a disciplined approach to sustainable procurement, incorporating the right balance of *environment*, *society* and *economy* considerations in each procurement activity.

- a) The principle of Sustainability involves the foundation of a culture of responsible resources utilization based on careful, thorough evaluation of procurement requirements, while exploring opportunities that are environmentally responsible within the supply chain and promoting the reduction of consumption of energy and material resources.
- b) Consequently, it brings about the duty to source exclusively from contractors who demonstrate a steady record of compliance with all environmental regulations and an organizational commitment to responsible environmental management, by minimizing waste and promoting environmentally friendly products and services.
- c) This principle also requires aligning procurement activities with the University's support of human rights, never allowing an association with companies seeming to condone human rights abuses, with its commitment to health and safety, demanding equal commitment from its subcontractors, and with its philosophy of building partnerships of productivity and respects with its neighbours, encouraging contractors to partner with merchants and residents of the University's host communities.
- d) The principle of Sustainability finally asks that the University solidify its supply base, teaming solely with business partners that provide an assurance of supply for the duration of their obligations, have competent and responsive personnel available, are able to continuously deliver the specified quality and are capable of doing business in a form compatible with the University's cost efficiency objectives of reducing acquisition and life-cycle costs.

2.1.4. Through controlled delegation, the University effectively empowers faculty and staff to be autonomous for the majority of their procurement activities, so that no person can bind the University to legally enforceable obligations unless authorized to do so. The trust implied by this delegation necessitates a durable organizational and individual commitment to a principle of Accountability.

- a) This Accountability begins with individuals making certain that their procurement activities are legitimate, in that they are undertaken for the benefit of the University, essential to the purpose of supporting the University's mission (i.e. being able to justify the economic, research, and/or educational need for the procurement activity), reasonable for the scope contemplated, and constitute a correct utilization of funds.
- b) When assuming procurement responsibilities, members of the University community are all equally accountable for compliance with applicable laws, regulations, policies, procedures, directives and guidelines through every step of the procurement cycle they may be involved in, whether proceeding autonomously, in conjunction with others, or under the instructions of a superior.

- c) At the University, this compliance is administered through a procurement process, which encompasses the pre-contract signature activities, and post-contract signature activities defined in Part I.
- d) To best contend with this framework and make certain that the interests of the University, as well as those of its community members, as individuals, are protected, standard procurement tools and terms and conditions must be used.

## 2.2. STRATEGY

To manage compliance and ensure the longevity of the Procurement Policy, the University relies on a strategy of clear procurement *direction* applied to a robust procurement *process*, and carried out using the appropriate procurement *tools*.

2.2.1. Direction for all procurement matters in relation to the procurement cycle shall reside with Procurement Services, hereby mandated with providing leadership in the procurement function.

- a) Procurement Services is responsible for the administration of the Procurement Policy, and has the authority to enforce its application:
  - i. by implementing and enforcing the necessary procurement programs and guidelines;
  - ii. by issuing directives (corrective action) when urgent realignment of a course of action is required due to non-compliance;
  - iii. by taking appropriate action to prevent a transaction in the exceptional circumstances where the methods described above are not sufficient to ensure respect of the Procurement Policy.
- b) Procurement Services may, on the conditions it determines, delegate part of its authority under paragraph 2.2.1. above to faculty members or administrative staff, which then become jointly responsible for ensuring compliance with the Procurement Policy.
- c) Procurement Services personnel is trained to employ common international trade methods and continuously evolving procurement practices, and is expected to research and identify those most adapted to the University's needs and reputation, to adapt them to the procedures, procurement programs and guidelines whenever a benefit to the University can be clearly demonstrated in terms of improved compliance, higher level of service, reduced transactional burden or favorable pricing.
- d) The role of Procurement Services requires that it converts its work into a corresponding standard services platform to provide the necessary direction and assistance to all those at the University who are involved in procurement activities.

2.2.2. Procurement Services is the owner, architect and custodian of the procurement process at the University, which subjects procurement activities to the principles detailed in Section 2.1 and the University's adopted procurement best practices. The unit is also empowered to play a central role as a strategic partner with the resources to promote and lead the way in establishing a culture of sustainable procurement practices at the University and in its wider community.

- a) The process is designed to identify and select contractors strategically advantageous to the University, in compliance with applicable laws and regulations, to promote positive contractor relationships, and to minimize the University's risk through consistent contract execution and management responsibilities. It is defined at length by a combination of various levels of documentation:
  - i. *Procedures*, which document mandatory procurement rules, made compulsory due to compliance matters and/or to their critical character to the effective stewardship of the University. Procedures also document step-by-step methods for certain procurement activities in accordance with the Procurement Policy or Regulations under which they are adopted;
  - ii. *Procurement Programs*, which document detailed, collaboratively-developed, procurement strategies for specific spend or contractor categories;
  - iii. *Guidelines*, which document the parameters to consider in determining the course or approach for procurement activities in particular situations not suitable for the linear, systematic sequence of standard procedures.

2.2.3. Procurement Services is tasked with providing purchasing decision support and exceptions management to the University community, by maintaining a platform of standard services arranged as a toolset, tailored to Verify compliance of practices, Accentuate quality of purchases, Leverage efficiency of process and Uncover cost efficiencies.

- a) The services platform is facilitated by a structure of systems and a collection of templates that can aptly reduce the risks associated with the decentralized procurement function of the University and provide simple access to procurement know-how essentials:
  - i. by directing all purchasing preparation and transactions through its sanctioned channels, systems whose design and operation are recognized by the competent authorities to incorporate the mandatory regulatory controls and records that the University is subject to;
  - ii. by easing key procurement activities such as competitive tendering, sole source exceptions, supply market research, supply agreements, asset management, contractor evaluation, and contractor payment, with templates, model forms that incorporate best practices of total cost predictability, contractual protection, performance guarantees and liability allotment.
- b) In order to achieve compliance with the Procurement Policy and confer on it the widest possible range inside the University community, Procurement Services complements its services platform with continuous, dynamic training on the basics of the procurement process, its objectives and its current tools, which are offered to all who may perform procurement activities at the University.

### **PART III – AUTHORITY TO APPROVE PROCEDURES**

The Vice-President (Administration and Finance) shall hold authority to approve procedures hereunder.

### **PART IV – REVIEW**

- 4.1. This Policy shall be reviewed every five years.
- 4.2. Notwithstanding the foregoing, the Vice-President (Administration and Finance) may, at any time in-between these mandatory reviews, submit revisions to the Procurement Policy for review and approval.