

## **1.0 Purpose**

- 1.1 This unit is responsible for assisting its clients in making procurement decisions that optimize the use of university funds. Serving departments on both campuses, this unit establishes mechanisms and relationships with suppliers in order to provide the university with goods and services at optimal prices and terms. Procurement Services establishes, communicates, promotes and enforces appropriate purchasing policies, procedures and controls; it also monitors the university's compliance with the Atlantic Procurement Agreement and the Public Purchasing Act to ensure that an appropriate competitive tendering process is followed
- 1.2 THE POLICY
  - 1.2.1 Sets out a framework for Procurement authority and responsibility at UNB
  - 1.2.2 Defines purchasing categories based on estimated dollar value, and sets out applicable purchasing methods for each category
  - 1.2.3 Describes a Code of Conduct applicable to Procurement activities
  - 1.2.4 Establishes a policy with respect to the disposal of Surplus goods
  - 1.2.5 Describes procedures with respect to the return of goods for credit

## **2.0 Applicability**

- 2.1 University-wide
- 2.2 This Policy applies to the procurement of goods and services funded through all accounts administered by the University of New Brunswick including research grants and contracts.

## **3.0 Definitions**

- 3.1 None applicable

## **4.0 Implementation**

- 4.1 PURCHASING AUTHORITY AND RESPONSIBILITY
  - 4.1.1 The Department of Procurement Services is responsible for the oversight and management of all procurement activities at the University. Procurement is conducted in accordance with this Policy, and related procedures which can be found on the Procurement Services web site at:  
<http://www.unb.ca/services/financialservices/facstaff/purchase.htm>

- 4.1.2 Procurement Services acts to serve and facilitate the procurement needs of University faculties and departments and is the only department authorized to make procurement commitments on behalf of the University.
- 4.1.3 Responsibility for identifying a requirement for the procurement of goods and services is shared by faculty and staff throughout the University. Before initiating any purchasing transaction, an employee must have such authority delegated to him or her under University spending and signing authority policies.
- 4.1.4 It is the responsibility of each University department to ensure that all new and current faculty and staff are aware of this Policy and related procurement procedures. Please contact Procurement Services if you have questions related to interpretation of this Policy.
- 4.2 ACQUIRING GOODS AND SERVICES
- 4.2.1 PURCHASING CATEGORIES: The process to be followed in purchasing goods and services depends upon the estimated dollar value of the proposed purchase. Estimated costs must include the price of the goods or services, all taxes, freight charges, insurance, custom and other related costs.
- 4.2.1.1 Purchases Under \$2,000: Purchases with an estimated value under \$2,000 may be made using one of the following methods:
- Purchases funded from non-research accounts can be made using the UNB Visa Procurement Card (P-Card), subject to P-Card Program Guidelines with respect to eligible and ineligible expenditures. This would be the preferred method because it is the most expeditious for the initiating department.
  - Purchases funded from research accounts, and purchases from nonresearch accounts that are ineligible expenditures under the P-Card Program Guidelines, must be effected by means of an Internal Requisition leading to the issuance of a UNB Purchase Order
  - Details of the P-Card Program (including eligible and ineligible expenditures) are available on the Procurement Services website at:  
<http://www.unb.ca/services/financialservices/facstaff/purchase.htm>. Written quotations are not required; however, it is recommended that more than one supplier be considered for the supply of the product or service to maximize value.

- 4.2.1.2 Purchases over \$2,000 that do not require a bid process: Purchases with an estimated value within the following ranges must be initiated by an Internal Request for a Purchase Order Requisition (Internal Requisition) and require at least two written quotations.
- Goods \$2,000 - \$25,000
  - Services \$2,000 - \$50,000
  - Construction \$2,000 - \$100,000
- 4.2.1.3 Notwithstanding the above, Procurement Services reserves the right to require a form of competitive bidding process where considered appropriate to ensure competitive pricing from suppliers.
- 4.2.1.4 Purchases requiring a Bid Process: In order to comply with the requirements of the Public Purchasing Act of the Province of New Brunswick, the Atlantic Procurement Agreement, and the Agreement on Internal Trade, purchases with an estimated value that exceeds the values stated below must be made following a Public Tender, Public Vendor Qualification Process, or a Request for Proposals process as determined by Procurement Services:
- Goods \$25,000
  - Services \$50,000
  - Construction \$100,000
- 4.2.1.5 Purchase requirements for goods and services in this category can be initiated with an Internal Requisition or by contacting Procurement Services directly. Purchase requirements over these thresholds cannot be divided so as to avoid the competitive process and any attempt to do so is in direct violation of this Policy and the Public Purchasing Act.
- 4.2.1.6 Leases or Rental of Equipment: Requests for lease or rental agreements must be initiated by contacting Procurement Services. These agreements are negotiated by Procurement Services.
- 4.2.1.7 Trial or Demonstration Equipment: Trial use of any equipment should be arranged through Procurement Services. Under no circumstances should such equipment be used as leverage to purchase outside the competitive bidding process.
- 4.2.1.8 Purchase of Used Equipment: Prior to acquiring used equipment, a comparison should be made with current pricing on new identical equipment.

4.2.1.9 Campus Services: Special procedures have been established for the acquisition of goods and services from the following University departments:

- Media Services (printing, binding, etc.)
- UNB bookstores (office supplies, except computer equipment)
- Facilities (repairs, renovations)
- Centre for Enhanced Teaching & Learning (audio visual equipment loans and repairs)

A Purchase Order is not required.

4.2.2 PURCHASING METHODS: The various methods of purchasing can be described as follows:

4.2.2.1 Visa Procurement Card (P-Card) The use of a Visa Procurement Card (P-Card) is intended to streamline and expedite the procurement process for low value purchases (under \$2,000). It is used in the same manner as a credit card, and can be used where the supplier accepts credit card transactions. Details of the P-Card Program (including eligible and ineligible expenditures) are available on the Procurement Services website at:

<http://www.unb.ca/services/financialservices/facstaff/purchase.htm>

4.2.2.2 An Internal Requisition provides authorization for Procurement Services to initiate a purchasing transaction. Fully completed Internal Requisitions must be forwarded to Procurement Services for review and approval. Details of the procedures for preparing an Internal Requisition are available on the Procurement Services website at:

<http://www.unb.ca/services/financialservices/facstaff/purchase.htm>

Upon approval of the purchase, Procurement Services creates a Purchase Order and delivers it to the supplier. Once the supplier accepts the terms of the Purchase Order, the Purchase Order becomes a contract between the University and the supplier. Key terms include a description of the item required, pricing, and shipping/billing information. The Purchase Order provides a form of standardization and control recognized by the business community and is an authoritative accounting reference referred to in correspondence.

4.2.2.3 To initiate a purchase using a bid process, employees may submit a completed Internal Requisition or contact Procurement Services.

Procurement Services determines which bid process will be used in the circumstances. There are three types of bid process:

- 4.2.2.4 A public tender is a formal solicitation document inviting binding proposals for delivery of goods, services, and/or construction. The public tender process will assess the total evaluated cost for each offer including assessment of maintenance costs, and ongoing operating costs such as consumables, and warranty details. Requirements are clearly defined with price, work schedule, and delivery, representing some of the evaluation criteria. All suppliers who submit a bid will be informed of the award results.
- 4.2.2.5 A request for proposals is a process used primarily for those situations where there are no generic specifications or requirements and the purchaser wants to obtain products or services which best meets their needs. For example, there may be differences in the materials or equipment configuration, which are proprietary to a particular supplier. Such differences can impact on the proposed solution to meet University needs. In such instances, bidding suppliers are asked to provide a detailed recommendation on how the project should proceed and a breakdown of the goods or services required. The process for issuing a request and receiving proposals is the same as for public tenders.
- 4.2.2.6 A public vendor qualification is a process during which vendors are prequalified before they are able to participate in a bid process. This document solicits vendors for the purpose of identifying and prequalifying capable vendors based on specific criteria. Procurement Services manages all aspects of the bid process with input from the department requesting the purchase as required, particularly in regard to the preparation of the request for proposals and bid specifications. All communications with potential suppliers must be made by Procurement Services. Communication outside of this process could undermine the integrity of the bid process resulting in a failed bid or proposal. The University follows a strict set of procedures regarding the receipt, custody, and opening of bids.
- 4.2.2.7 Other Purchasing Process: Any purchase requirement that cannot be met by following one of the processes described above will be administered by Procurement Services on a case-by-case basis.

4.3 CODE OF CONDUCT AND ETHICS: UNB Procurement Services practices and promotes fair and ethical business practices while acting in the best interests of the University. This includes upholding a strict code of ethics in our daily procurement activities. The Procurement Code of Conduct and Ethics applies to all UNB employees involved in procurement activities. Disciplinary action may be taken for non-compliance with this policy.

4.3.1 PURCHASING CODE OF ETHICS

4.3.1.1 All authorized personnel involved in procurement activities must strive to maintain good relations between the University and its suppliers. In all such dealings and personal contacts with suppliers, the following ethical practices must be adhered to:

- First, give consideration to UNB's mission and policies.
- Obtain maximum value for each dollar spent
- Decline personal favours, gifts, and gratuities. Grant all competitive suppliers fair and equal consideration
- Conduct business with current and potential suppliers in an atmosphere of good faith
- Demand honesty in sales representation
- Make a reasonable effort to obtain equitable settlement of any controversy with a supplier
- Provide a prompt and courteous reception to all who contact UNB on legitimate business
- Create an atmosphere of fair, ethical and legal business practices

4.3.1.2 Protect the University's interest by ensuring that suppliers honour all terms of their contracts Procurement Service's responsibility is to promote fair and ethical business practices and provide assistance in support of this policy.

4.3.2 CONFLICT OF INTEREST

4.3.2.1 Goods or services shall not be purchased from a supplier who is an employee of the University of New Brunswick, or in whom an employee of the University has a significant interest, unless evidence is provided to show that the terms offered by that supplier are more advantageous to the University than those available elsewhere for equivalent goods or services. Any employee who has a significant interest in a business which

supplies, or may supply, goods or services to the University is required to declare that interest by so informing the Manager of Procurement Services in writing

4.3.2.2 The phrase “significant interest” is intended to cover:

4.3.2.2.1 Any relationship which can influence, or which might be seen to influence, the policies of a business;

4.3.2.2.2 Any relationship in which income of an employee is directly affected by sales to the University. Such interest might include, but is not limited to:

- Ownership of, or part ownership in, a business
- Membership on the Board of Directors of a business
- Any of the above relationships enjoyed by a member of the employee’s immediate family.

4.3.3 CONFIDENTIALITY

4.3.3.1 Pricing and other information obtained by the University during the competitive bidding process is confidential and the property of the University. It is highly unethical and a poor reflection on the University for any confidential information to be used as a tool by University personnel to leverage better pricing by revealing said confidential information to competitive bidders.

4.3.4 PERSONAL PURCHASES

4.3.4.1 For greater certainty, purchases for personal use are not permitted from University or University administered funds.

4.4 RECEIVING GOODS AND SERVICES: The University does not use a central receiving department. It is the responsibility of the department initiating the purchase to ensure that goods and services are received according to the terms and conditions that were identified on the purchase order or agreed upon when the P-Card transaction was initiated. Invoices under \$10,000 issued by suppliers against a University Purchase Order are automatically paid by Financial Services upon receipt, unless advised by the originating department that goods and services have not been received or are unsatisfactory. Invoices in excess of \$10,000 must be approved prior to payment.

4.5 DISPOSAL OF SURPLUS UNIVERSITY PROPERTY: Surplus and obsolete equipment and materials are the property of the University of New Brunswick. Disposal of such property should be done in a manner that maximizes the value received by the University and only after appropriate written approval. The detailed policy and procedures relating to the

Disposal of Surplus University Property can be viewed on the Procurement Services website at: <http://www.unb.ca/services/financialservices/facstaff/purchase.htm>

- 4.6 ASSET TRACKING: A University asset is defined as a piece of machinery, furniture, or equipment purchased with a value in excess of \$1,000 and not permanently affixed. When purchased, assets become University property and the University must maintain proper records to account for and track assets. An Asset Receiving Advice Form must be completed and returned to Procurement Services. This information is used by the Risk Management for insurance purposes.
- 4.7 RETURNS FOR CREDIT: Departments must notify Procurement Services when items are to be returned for credit. Procurement Services will obtain instructions from the supplier concerning how, where, and when items should be returned. These instructions will be communicated back to the department who shall be responsible for returning the goods in accordance with the instructions, and for any related costs or charges.

## **5.0 Interpretation and Questions**

- 5.1 Interpretation of this policy shall be the responsibility of the AVP (Finance & Corporate Services) & Comptroller or the Director of Financial Services & Assistant Comptroller. An employee who is in doubt about a possible conflict of interest should contact the Manager of Procurement Services. If required, the Manager will refer the matter to one of these two officers for a decision.