UNIVERSITY OF MANITOBA
PROCEDURE

<table>
<thead>
<tr>
<th>Procedure:</th>
<th>PURCHASING</th>
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</thead>
<tbody>
<tr>
<td>Parent Policy:</td>
<td>Purchasing Policy</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>July 3, 2009</td>
</tr>
<tr>
<td>Revised Date:</td>
<td>March 12, 2014</td>
</tr>
<tr>
<td>Review Date:</td>
<td>March 12, 2024</td>
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<tr>
<td>Approving Body:</td>
<td>Vice-President (Administration)</td>
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<tr>
<td>Responsible Executive Officer:</td>
<td>President, delegated to the Vice-President (Administration)</td>
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<tr>
<td>Delegate:</td>
<td>Comptroller</td>
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<td>Contact:</td>
<td>Comptroller</td>
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<tr>
<td>Application:</td>
<td>All Employees</td>
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Part I
Reason for Procedure

1.1 To set out the Procedures secondary to the Purchasing Policy.

Part II
Procedural Content

Definitions

2.1 For the purpose of this document, the following definitions apply:

(a) “Request for Information”: A Request for Information (RFI) is used on high value and/or complex purchases to identify the interest of potentially qualified suppliers in the marketplace and/or for budgetary pricing. An RFI does not form a contractual commitment. No award results from an RFI. An RFI may lead to an RFP.

(b) “Request for Proposal”: A Request for Proposal (RFP) is a competitive bid process that is undertaken typically for higher dollar value and/or complex transactions where factors in addition to price will be used to make the final purchasing decision, e.g. qualifications, experience, etc. It identifies goods, services or research objectives with mandatory and optional requirements and may be linked to a previously issued Request for Information (RFI). An RFP is normally awarded based on a weighting of evaluation criteria, including price.
“Request for Quotation”: A Request for Quotation (RFQ) is a competitive bid process that is undertaken typically for transactions where price is the key factor in the purchasing decision. Standard specifications and/or brand or direct equivalent goods are specified. An RFQ is normally awarded on the basis of lowest price meeting the mandatory technical requirements.

“Construction Tender”: A Construction Tender (initiated by Physical Plant) is a call for bids, usually issued on a stipulated sum basis (plans and drawings requesting one specific bid price), and normally to pre-qualified contractors. The lowest priced bid which meets the mandatory requirements of the tender is awarded the contract.

“Independent Contractors”: An Independent Contractor is a supplier providing a non-employment service, for example consulting work, program/web design, professional service or testing service. Tenders for Independent Contractors are conducted through the Request for Proposal (RFP) process. A University of Manitoba standard (pro-forma) Independent Contractor Agreement (ICA) is normally developed as the contractual agreement.

“Consulting Services (construction)”: Consulting Services (construction) including architectural consulting services, engineering consulting services, and construction management services, are tendered by RFP, normally using a two-stage pre-qualification and proposal process. Supplier selection is based on a weighting of evaluation criteria, including service fees. A customized Professional Services Agreement or Design Consultant Agreement is normally developed for the contracted services.

“Purchase Order”: A Purchase Order (PO) is a binding agreement between the University of Manitoba and the supplier to provide the noted goods/services according to the terms and conditions of the order. A PO is committed to the requisitioner’s Fund Organization Account Program (FOAP) when it is issued, and remains committed until the supplier is paid. A copy of the PO can be obtained by the Requisitioner.

“Non-PO Invoices”: Certain payments may be made through a Non-PO Invoice form within the eProcurement system without a purchase order, such as memberships, subscriptions and conference registrations, where a purchase order is not accepted by the supplier.

“Purchasing Card”: A purchasing card may be used for such cases as internet purchases to a supplier that does not accept purchaser orders and the purchase must be made with a credit card.

“EPIC”: The eProcurement system in use by the University is known as EPIC, the Electronic Procurement and Information Centre, or by the name of the software vendor, Ariba.

Purchasing Services is authorized to make purchases and commit the University to binding agreements for the acquisition of goods and services in accordance with the Purchasing Policy.

All purchase requests should normally be initiated in EPIC. Purchase Orders in this category are sent or electronically transmitted to the supplier. Suppliers will ship the requested goods or perform the desired services. Suppliers will send or electronically transmit their invoices to Supplier Payment Services for payment. Variances to the original Purchase Order will be vetted,
within specific control parameters. The ordering unit will automatically have their FOAP encumbered/committed at the time of the Purchase Order issuance. Payment of the invoice will remove the encumbrance/commitment and debit the expense.

2.4 Exclusive Supply/Service Agreements are exclusive contracts with designated suppliers for specific commodities of goods or services, with pricing and other terms negotiated University wide. The University is obligated to purchase from these exclusive agreements. These agreements are specifically identified in EPIC.

2.5 Preferred Supplier Agreements are similar to Exclusive Supply/Service Agreements except without an obligation to buy from the designated supplier. These agreements are specifically identified in EPIC.

2.6 Information Technology Procurement - All purchases of information technology goods and services (consulting, hardware, software, cellular phones, audio visual, printing equipment, accessories, peripherals, etc.), must be made through the designated methods by the IT Procurement Centre.

eProcurement Purchases if Cost of Purchase (per line item) is under $2,500 or the Purchase Order is under $25,000

2.7 All purchase requests should normally be initiated in EPIC unless the supplier does not accept Purchase Orders, in which case a Non-P.O. Invoice (see ii below) or a Purchasing Card (PCard) (see iii below) may be used to make the purchase. Purchase Orders in this category are sent or electronically transmitted directly to the supplier without the intervention of Purchasing Services unless assistance is requested. Variances to the original Purchase Order will be vetted by the Requester, within specific control parameters.

2.8 Non-P.O. Invoices – Authorized Non-P.O. Invoices may be entered for payment through EPIC for transactions in which the supplier does not accept a Purchase Order, such as for some memberships, subscriptions and conference registrations.

2.9 Purchasing Cards (PCards) are to be used in such cases as internet purchases to a supplier that does not accept Purchase Orders and the purchase must be made with a credit card. A Visa Order form is used to obtain approval to make the purchase. Payments to the PCard provider are made monthly and result in a charge to the designated FOAP. For information on how to obtain a PCard, Contact Supplier Payment Services.

eProcurement Purchases if Cost of Purchase (per line item) is under $2,500 or the Purchase Order is between $25,000 and $50,000

2.10 All Purchase Requests will be made through EPIC.

2.11 If a Purchase Request is over $2,500 (per item) or between $25,000 and $50,000 (in total) a purchase can be made without competitive tendering at the discretion of Purchasing Services. This would normally be for commonly ordered items, homogeneous products, and/or purchases from a wide variety of suppliers. An EPIC Purchase Request must be completed by the requisitioner and approved. Any quotations already solicited by the requisitioner must be attached to the EPIC Purchase Request. The decision whether or not to pursue competitive tendering will
be based on the information provided, the price, the competitiveness of the product/service/quotations obtained by the requisitioner and fair and overall balanced purchases from local and/or national suppliers. The awarded supplier will be issued an EPIC Purchase Order or Contract.

2.12 Purchase Orders or Contracts in this category are sent or electronically transmitted directly to the supplier once Purchasing Services has approved the order. Variances to the original Purchase Order will be vetted by the Requester and Purchasing Services within specific control parameters. The Requester will be required to approve of the receipt of the goods or services.

**Cost of Purchase (per order) is between $50,001 and $99,999 (Construction/renovation between $50,001 and $250,000)**

2.13 If a purchase is between $50,001 and $99,999, it will normally be tendered. An EPIC Sourcing Request must be completed by the requisitioner including a detailed description of the goods/services and any other requirements and specifications. The contemplated purchase will normally be tendered by a construction tender, a Request for Quotation (RFQ), or a Request for Proposal (RFP). The opportunity will normally be publicly advertised and/or specifically sent to known suppliers. The brand or equivalent may be specified. The bids will be evaluated on price and other criteria depending upon the value, complexity, and competitiveness of the product/service. The awarded supplier will be issued a Purchase Order or Contract.

2.14 Purchase Orders or Contracts in this category are sent or electronically transmitted directly to the supplier once Purchasing Services has approved the order. Variances to the original Purchase Order will be vetted by the Requester and Purchasing Services, within specific control parameters. The Requester will be required to approve of the receipt of the goods or services.

**Cost of Purchase (per order) is $100,000 or greater (See Construction/ Renovation)**

2.15 If the contemplated purchase is $100,000 or greater the purchase transaction is subject to the Federal/Provincial Agreement on Internal Trade (AIT). An EPIC Sourcing Request must be completed by the requisitioner including a detailed description of the goods/services and any other requirements and specifications. The opportunity will be publicly advertised and may be sent to known suppliers. The brand or equivalent may be specified. The bids will normally be evaluated on evaluation criteria pertinent to the contemplated purchase, including price. The awarded supplier will be issued a Purchase Order or Contract.

2.16 Purchase Orders or Contracts in this category are sent or electronically transmitted directly to the supplier once Purchasing Services has approved the order. Variances to the original Purchase Order will be vetted by the Requester and Purchasing Services, within specific control parameters. The Requester will be required to approve of the receipt of the goods or services.

**Construction/Renovations over $250,000**

2.17 If the construction/renovation purchase is greater than $250,000 the purchase transaction is subject to the AIT. An EPIC Sourcing Request must be completed by the requisitioner including a detailed description of the goods/services and any other requirements and specifications. An RFP or Construction Tender will be issued by Purchasing Services. The RFP or Construction Tender
will be advertised publicly and may only be open to only pre-qualified contractors. A Construction Tender will normally be awarded by Stipulated Sum sealed bids, and awarded to the lowest compliant bid. An RFP will normally be awarded on the basis of best overall score on the basis of weighted evaluation criteria including price. A standard construction industry contract is normally developed for the construction/renovation service.

2.18 Contracts in this category are sent or electronically transmitted directly to the supplier once Purchasing Services has approved the award. Variances to the original Contract will be vetted by the Requester and Purchasing Services, within specific control parameters. The Requester will be required to approve of the receipt of the goods or services.

**Part III**
**Accountability**

3.1 The Office of Legal Counsel is responsible for advising the Vice-President (Administration) that a formal review of this Procedure is required.

3.2 The Comptroller is responsible for the implementation, administration and review of this Procedure.

3.3 All University employees are responsible for complying with this Procedure.

**Part IV**
**Review**

4.1 Governing Document reviews shall be conducted every ten (10) years. The next scheduled review date for this Procedure is March 12, 2024.

4.2 In the interim, this Procedure may be revised or repealed if:

(a) the Vice-President (Administration) for Approving Body deems it necessary or desirable to do so;

(b) the Procedure is no longer legislatively or statutorily compliant;

(c) the Procedure is now in conflict with another Governing Document; and/or

(d) the Parent Policy is revised or repealed.

**Part V**
**Effect on Previous Statements**

5.1 This Procedure supersedes all of the following:

(a) all previous Board of Governors/Senate Governing Documents on the subject matter contained herein;

(b) all previous Administration Governing Documents on the subject matter contained herein;
all previous Faculty/ School Council Procedures stemming from the Faculty/ School Council Bylaw and academic and admission Regulations and any resolutions in the subject matter contained herein;

Policy 307 – Purchasing and Receiving; and

Policy 303 – Financial Commitments

Part VI
Cross References

This Procedure should be cross referenced to the following relevant Governing Documents, legislation and/or forms:

(a) Purchasing Policy
(b) Exclusive Suppliers and Administrative Systems Policy
(c) Travel and Business Claims Policy
(d) Petty Cash Policy