

UNIVERSITY OF MANITOBA PROCEDURE

Procedure:	PURCHASING
Parent Policy:	Purchasing Policy
Effective Date:	July 3, 2009
Revised Date:	July 13, 2015
Review Date:	July 13, 2025
Approving Body:	Vice-President (Administration)
Authority:	
Responsible Executive Officer:	President, delegated to the Vice-President (Administration)
Delegate:	Comptroller
Contact:	Comptroller
Application:	All Employees

Part I Reason for Procedure

- 1.1 To set out Procedures secondary to the Purchasing Policy, and to provide guidance to all persons within the University community who are purchasing goods and services with funds administered by the University.

Part II Procedural Content

Introduction and Application

- 2.1 This Procedure applies to all goods and services that are to be purchased using funds administered by the University.
- 2.2 Other policies, procedures and rules may be applicable to a purchase. It is the responsibility of the person initiating a purchase to follow all applicable University Policies and Procedures.
- 2.3 It is the responsibility of the person initiating the purchase to comply with any external sponsor requirements.

- 2.4 The purchasing process used will be dependent on the type of good or service being acquired and its value.
- 2.5 Additional information on purchasing process can be obtained at the Financial Services website.

Purchasing Terms

2.6 The following are terms used by Purchasing Services:

- (a) **“Requester”**: A Requester is the person who is initiating the purchase on behalf of the University.
- (b) **“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 a Request for Proposal.
- (c) **“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.
- (d) **“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.
- (e) **“Construction Tender”**. A Construction Tender is a call for bids initiated by Physical Plan usually requesting a stipulated price based plans and drawings provided by the University. The lowest priced bid which meets the mandatory requirements of the tender is awarded the contract.
- (f) **“Independent Contractor”**. An Independent Contractor is an individual or business supplying non-employment services to the University. Examples of these services include consulting work, program/web design, professional services or testing services. Tenders for Independent Contractors are conducted through the RFP process. The University standard template Independent Contractor Agreement (ICA) is normally used as the contractual agreement.

- (g) **“Consulting Services for Construction”**: Consulting Services for 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.
- (h) **“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 Purchase Order is committed to the Requester’s Fund Organization Account Program (FOAP) when it is issued, and remains committed until the supplier is paid. A copy of the Purchase Order can be obtained by the Requester.
- (i) **“Non-Purchase Order Invoices”**: Certain payments may be made through a within EPIC without a Purchase Order using a Non-PO Invoice form. Examples of these purchases include memberships, subscriptions and conference registrations and where a purchase order is not accepted by the supplier.
- (j) **“Purchasing Card”**: A purchasing card (PCard) 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.
- (k) **“EPIC”**: EPIC is the University’s acronym for Electronic Procurement and Information Centre. EPIC is the University’s eProcurement computer software system. The vendor’s software name for the product is Ariba.

General

- 2.7 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.
- 2.8 All purchase requests should normally be initiated in EPIC. Purchase Orders in EPIC 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.
- 2.9 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 on the Purchasing Services website.

- 2.10 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 on the Purchasing Services website.

Purchases with External Sponsor Funds

- 2.11 External sponsors may have policies and documentation requirements which are applicable to a purchase. It is the responsibility of the person initiating the purchase to be aware of applicable external sponsor policies and rules for purchases as well as the University's Financial Administration and Control of Research and Special Funds Policy and Procedure. Where an external sponsor's policies and rules are more restrictive than University Procedures, the external sponsor policies and rules must be followed for a purchase.
- 2.12 Where a purchase is connected to an activity or project supported by an external sponsor and it may not be clear to a third party how the purchase relates to the activity or project, or where that purchase would normally be used for a different purpose than for the activity or project, the Requester must provide an explanation of the direct connection of the purchase to the activity or project which is supported by the external sponsor. Examples include the purchase of a desktop computer, tablet, office supplies, exercise equipment, recreation items, GPS etc. The person initiating the purchase must attach this justification as an internal supporting document to the EPIC requisition.

Information Technology Procurement

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

eProcurement Purchases if Cost of Purchase (per line item) is under \$10,000 or the total Purchase Order is under \$25,000

- 2.14 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 or a Purchasing Card may be used to make the purchase. Purchase Orders in this category are sent or electronically transmitted directly to the supplier without the engagement of Purchasing Services unless assistance is requested. Variances to the original Purchase Order, such as the invoice price or quantity exceeding Purchase Order price or quantity will be vetted by the Requester, within specific control parameters.

- 2.15 Only authorized Non-P.O. Invoices may be entered for payment through EPIC for transactions in which the supplier does not accept a Purchase Order
- 2.16 Purchasing Cards are to be used within transaction limits and 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, or PCard transaction limits, contact Travel Services.

eProcurement Purchases if Cost of Purchase (per line item) is between \$10,000 and \$50,000 or the total Purchase Order is between \$25,000 and \$50,000

- 2.17 All Purchase Requests over \$10,000 will be made through EPIC.
- 2.18 If Requester's purchase is over \$10,000 per item or between \$25,000 and \$50,000 in total, then the purchase may be made without competitive tendering at the discretion of Purchasing Services. An EPIC Purchase Request must be completed by the Requester and approved by Purchasing Services. Any quotations already solicited by the Requester must be attached to the EPIC Purchase Request. The decision whether or not to pursue competitive tendering will be based on the information provided, price, the competitiveness of the product/service/quotations obtained by the Requester and fair and overall balanced purchases from local and/or national suppliers. The awarded supplier will be issued an EPIC Purchase Order or Contract.
- 2.19 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, if the total is under \$50,000 and Purchasing Services if the total is over \$50,000 within specific control parameters. The Requester will be required to approve the receipt of the goods or services.
- 2.20 The purchase of a service over \$25,000 requires the use of the University's standard ICA or other contractual agreement approved by the Office of Legal Counsel.

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

- 2.21 If a purchase is between \$50,001 and \$99,999, it will normally be tendered. An EPIC Sourcing Request must be completed by the Requester 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.

- 2.22 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

- 2.23 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 Requester 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.

- 2.24 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

- 2.25 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 Requester 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 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.

- 2.26 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 July 13, 2025.
- 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;
 - (c) 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;
 - (d) Policy 307 – Purchasing and Receiving; and
 - (e) Policy 303 – Financial Commitments.

Part VI
Cross References

- 6.1 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 Expense Claims Policy](#)
 - (d) [Petty Cash Policy](#)
 - (e) [Signing of Agreements Policy](#)
 - (f) [Conflict of Interest Policy](#)
 - (g) [Financial Administration and Control of Research and Special Funds Policy](#)