

COMPETITIVE PURCHASING

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Owner.

Category:	F. Finance
Parent Policy:	F22
Approval Date:	June 9, 2014
Effective Date:	June 9, 2014
Procedure Owner:	Chief Financial Officer

Overview:	<p>The College is committed to a fair and transparent acquisition process for all goods and services required by College departments in support of their operations. The competitive purchasing process ensures that the College receives the best overall value for the purchase of goods and services.</p> <p>Competitive Purchasing Thresholds Form identifies the thresholds for two separate competitive purchasing processes:</p> <ul style="list-style-type: none"> • An informal process whereby three written price quotes are secured by authorized College employees. • A competitive purchasing process whereby Purchasing conducts a formal process to solicit competitive bids. <p>The purpose of this procedure is to outline the process that is to be followed in soliciting competitive prices in order to initiate the purchase of goods and services.</p>
Procedures:	<p>Purchase Requisitions must be requested only by authorized College employees in accordance with Budget Owner Responsibility Policy.</p> <p>Informal Quote Process</p> <p>1. OBTAIN THREE WRITTEN SUPPLIER QUOTES</p> <p>Subject to the Competitive Purchasing Thresholds Form, departments are required to solicit their own written quotes. At a minimum a supplier quote must include the following:</p> <ol style="list-style-type: none"> a. name and address of the supplier b. name and contact information of the person supplying the quote c. detailed description of goods and/or services including quantity, pricing and extensions d. net amount, GST, GST registration number, and gross amount e. date of quote f. expiry date if applicable

2. COMPLETE A PURCHASE REQUISITION

- a. Indicate description of goods and services to be purchased, quantity, estimated purchase price and preferred source of supply. The Purchase Requisition is the authorization to initiate the procurement process; it enables a Purchase Order and/or Agreement/Contract to be generated and provides the account, cost center and project name if applicable to be entered into the financial accounting system. Attach the written quotes to the Purchase Requisition.
- b. The award of purchase will normally be made to the lowest qualified bidder unless there are significant issues (product quality, delivery, suitability of product, environmental impact, service, and method of billing) that warrant the selection of another supplier. A supplier other than the lowest bidder may be selected if value is evaluated as higher. If the preferred source of supply has not submitted the lowest price, explain on the Purchase Requisition the rationale for the choice.

3. ISSUE PURCHASE ORDER OR CONTRACT/AGREEMENT

- a. Purchasing notifies the successful supplier and issues the Purchase Order or Contract/Agreement.
- b. No goods and services are to be provided to the College until a fully executed Purchase Order or Contract/Agreement is in place. Orders placed in the name of Olds College without an authorized Purchase Order or Contract will be the obligation of the person placing the order and not the obligation of the College.

4. CHANGING A PURCHASE ORDER

Any revisions or corrections to Contract/Agreement or Purchase Order must be done by way of a Change Order Draft Form.

Competitive Bid Process

The College has two clearly defined competitive bid processes (Request for Quote, Request for Proposal) for soliciting competitive bids from suppliers based on the dollar value and complexity of the proposed purchase. The following is the procedure for initiating a Request for Quote (RFQ) or Request for Proposal (RFP) process:

1. COMPLETE A PURCHASE REQUISITION

Indicate description of goods and services to be purchased, quantity, estimated purchase price, scope of work and potential source of supply. The Purchase Requisition is the authorization to initiate the procurement process; it enables a competitive bid document to be generated and provides the account, cost center and project to be entered into the financial accounting system.

2. ESTABLISHED EVALUATION CRITERIA

An evaluation committee is formed and evaluation criteria and weighting (if other than price) established which will be used to evaluate proposal submissions.

3. DISTRIBUTION OF RFQ/RFP

Purchasing will prepare the RFQ or RFP document for distribution.

Proposed purchases in excess of the Competitive Purchasing Thresholds Form will be posted on the Alberta Purchasing Connection (APC) for the supplier community at large. Suppliers must be given a reasonable period of time (based on the size and complexity of the proposed purchase) to provide a response to the RFQ or RFP.

4. EVALUATE BIDS

Once the RFQ or RFP closes, Purchasing reviews all bids/proposals received prior to the designated closing date to ensure commercial compliance and compliance with the mandatory requirements of the bid document. Purchasing forwards responses to the evaluation committee for review.

- a. All responses received must be evaluated as per the stated criteria.
- b. The evaluators must document the weighting for awarding points prior to the review of responses, and use this weighting consistently in evaluating all responses received.
- c. An evaluation summary document must be created showing the point scores awarded.
- d. A Participation Agreement, provided by Purchasing, must be completed and signed by all members of the evaluation committee.
- e. Based solely on the evaluation criteria, the successful supplier is selected. All documentation is to be returned to Purchasing and should clearly indicate the successful supplier as well as the items to be purchased.

5. ISSUE PURCHASE ORDER OR CONTRACT/AGREEMENT

- a. Purchasing notifies the successful supplier and issues the Purchase Order or Contract/Agreement.
- b. No goods and services are to be provided to the College until a fully executed Purchase Order or Contract/Agreement is in place. Orders placed in the name of Olds College without an authorized Purchase Order or Contract will be the obligation of the person placing the order and not the obligation of the College.

6. CHANGING A PURCHASE ORDER

Any revisions or corrections to Contract/Agreement or Purchase Order must be done by way of a Change Order Draft form.

Definitions:

Request for Quote: A competitive bid process that is undertaken typically for transactions where items to be purchased are clearly identified and price is the key factor in the purchasing decision.

Request for Proposal: A competitive process that is undertaken typically when the market place is being used to clarify the best solution and factors in addition to price will be considered in making the final purchasing decision.

Related Information:

F22 [Competitive Purchasing Thresholds Form](#)
F22 [Change Order Draft Form](#)

Review Period:

3 years

Revision History:

New: November 2014