ALGONQUIN COLLEGE

Procurement Training





Broader Public Sector (BPS) 2012

- Colleges
- Universities
- Hospitals
- School Boards
- Other publicly funded organizations



Procurement

Broader Public Sector (BPS) Procurement Directives

- Accountability
- Transparency
- Value for Money
- Quality Service Delivery
- Process Standardization



Procurement

Procurement Thresholds for Goods, Services and Construction

Value	Procurement Method	Requirement
< \$2,500*	PCard	No quote
>\$2,500- <\$25,000*	Online purchase requisition	One (1) written quote**
>\$25,000 - <\$100,000*	Invitational Competitive Procurement	Three (3) written quotes**
>\$100,000*	Open Competitive Procurement	Public Tender Process**



Procurement

Goods, Services and Construction continued...

*All amounts are before taxes and include the aggregate TOTAL amount of the anticipated spend. For clarity, and as an example, if the anticipated spend is \$50,000 per year, but the contract is for a three-year period, this would require an Open Competitive Procurement since the total spend, and the College's commitment would be over the \$100,000 threshold.

**This does not limit Procurement's ability (at our sole discretion) to hold an Open Competitive Procurement event should the item or service be complicated, high risk, or potentially contentious to the College.



Procurement

Procurement Methods

1. Requisition & purchase order

- •Should be used for all purchases of \$2,500 or more
- May not be used to reimburse employees
- •All capital equipment purchases (individual items over \$5k CDN) must use this method



Procurement

Procurement Methods

2. Pcard (Purchasing Card – Bank of Montreal – BMO One Card)

- Most small \$ purchases of a non-recurring nature
- •\$2,500 limit per transaction (shipping/taxes/customs included)
- Purchases of capital equipment not permitted
- •Includes insurance for lost baggage, missed flights, delayed flights
- Details are available on the Procurement website
- Purchases of College Standard items not permitted



Procurement

Procurement Methods

- College Standard items (as examples)
 - Computers (and other computing devices)
 - Office supplies
 - Cell phones
 - Printers
 - Scanners
 - Desks and chairs
 - •Etc.

*Contact Procurement for guidance if there are any questions.



Procurement

Sole/Single Sourcing

Certain goods or services may only be available from one source (i.e. sole/single source supplier). In these cases, a competitive bidding process may not be possible.

The Broader Public Sector Guidelines allow for such exceptions and in these instances a Limited Tendering Form (LTF) must be completed.



Procurement

includes requisitioning, contracting, and approvals

This process is to be used on an exception-only basis.

Financial Approvals Not to be confused with Signing Authority

 College administrative staff, who hold a supervisory position, are the only staff who have authorization to approve invoices, and purchase requisitions for payment subject to the following limits:

Managers, Chairs, Directors and Deans	Up to \$25,000
Vice-Presidents, President	Within Budget

• These approvals are handled automatically through Workday when purchasing requisitions are processed.



Procurement

Contract/Agreement Signatures Signing Authority

All major agreements and contracts that bind the College require a signature. The actual signature approval should not be confused with the Financial Approvals covered in the previous slide.

The signing authority policy was recently amended and approved by the College's Board of Governors. All training, forms and guidelines are now available on the Finance and Administration Internal Control website



Procurement

Purchasing Questions



Procurement

What is "Three-Way Match"?

*Segregation of Duty

A payment verification technique that, through a set of three controls, ensures only authorized purchases are paid.

Considered to be best practice in operational accounting and procurement.

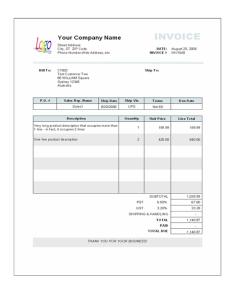
These controls minimize losses due to fraud or carelessness.



Shipping Receiving

includes security
of goods in transit
and record
keeping

3 MAY MATCH



3

ACCOUNTS PAYABLE

Pays invoice based on the PO receipt





Shipping Receiving

includes security
of goods in transit
and record
keeping



\$129**

PURCHASE ORDER

Key Points

- When goods are delivered directly to the end user (not through Central Shipping and Receiving):
 - Proper documentation (packing slip Always provided) must be signed and sent back to Central Shipping
 - User department (Requisitioner) responsible to provide the signed packing slip to Central Shipping



Shipping Receiving

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Shipping and Receiving Questions



Shipping Receiving

includes security
of goods in transit
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