

Procurement Training



Procurement

Broader Public Sector (BPS) 2012

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



Procurement

includes
requisitioning,
contracting, and
approvals

Procurement

Broader Public Sector (BPS) Procurement Directives

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



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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**



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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.



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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



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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



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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.



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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.

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



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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.



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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



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Purchasing Questions



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Shipping and Receiving

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

Shipping and Receiving

3 WAY MATCH



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INVOICE

Your Company Name
Green Address
City, ST, ZIP Code
Phone Number/Web Address, etc.

DATE: August 20, 2006
INVOICE #: INV1040

Bill To: C1000
Test Customer Two
88 William Square
Sydney 12345
Australia

Ship To:

P.O. #	Sales Rep. Name	Ship Date	Ship Via	Terms	Due Date
104567	John Doe	8/20/2006	UPS	Net 60	

Description	Quantity	Unit Price	Line Total
Very long product description that occupies more than 1 line - in fact, it occupies 2 lines	1	199.99	199.99
One line product description	2	420.00	840.00
SUBTOTAL			1,039.99
PST 6.50%			67.60
GST 5.20%			54.06
SHIPPING & HANDLING			23.35
TOTAL			1,185.00
P&H			0.00
TOTAL DUE			1,185.00

THANK YOU FOR YOUR BUSINESS!

3

ACCOUNTS PAYABLE

Pays invoice based on the PO receipt

1

REQUISITIONER

Creates a requisition

MANAGER

Approves the RX as per the assigned limit

PROCUREMENT

Raises a PO and sends it to supplier

SUPPLIER

Receives the PO and ships goods or provides the service to the college

2

SHIPPING AND RECEIVING

Receives the goods, records the goods from the packing slip

SUPPLIER

Sends invoice to Accounts Payable

PURCHASE ORDER
NOVEMBER 24, 2010

FROM: YOUR NAME
YOUR COMPANY
104 STREETNAME
BROOKLYN, STATE
10001, USA
PHONE: 123-4567
EMAIL: test@yourcompany.com
WWW.YOURCOMPANY.COM

TO: CLIENT NAME
CLIENT COMPANY
888 STREETNAME
BROOKLYN, STATE
10001, USA
PHONE: 987-6543
EMAIL: test@client.com
WWW.CLIENT.COM

FOR:

Item	Quantity	Unit Price	Price
1. SOME SERVICE	1	20.00	20.00
2. ITEM SOLD	1	40.00	40.00
3. ANOTHER SERVICE	1	50.00	50.00
TOTAL:			\$129.00

GLOBUS EXPORTS

100 N. 10th, Suite 1000, Minneapolis, MN 55401, USA
Tel: (612) 338-1234 Fax: (612) 338-5678 www.globusexports.com

PACKING LIST

Exporters: GLOBUS EXPORTS
Consignee: ABC COMPANY
Country of Origin: USA
Country of Destination: CANADA
Incoterms: FOB (Free on Board)
Description of Goods: 2.0" Chamber Mini-Chip Auto Feeder
Quantity: 1
Gross Weight: 15.0 Kg
Net Weight: 12.0 Kg

DECLARATION: We declare that this packing list shows the actual quantity of the goods and that all descriptions are true & correct.

Shipping and Receiving

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



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Shipping and Receiving Questions



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