



Understanding of Procurement

<p>Buying Goods and Services</p> <p>Purchase Order: All goods or services over \$10,000 must be purchase with an authorized purchase order (PO) through the Finance and Business Services. A purchase order is a legal contract with the vendor to supply the described goods or services under specified terms and conditions. Only Finance and Business Services personnel are authorized to create or cancel a purchase order. Large value purchases may require a formal agreement with the vendor to describe complicated conditions of sale.</p> <p>Direct Purchase: Direct Purchase can be made with a supplier with reimbursement via Petty Cash not more than the respective department's approved Petty Cash amount after receipt of goods. A Cheque Request less than \$10,000 may also be sent to Accounts Payable with an invoice before delivery of goods.</p> <p>Credit Purchase: A Credit Account, if approved by relevant vendors, can be set up for small value credit purchase less than \$10,000. Invoice must be certified by departments before submitting to Accounts Payable for payment.</p> <p>Corporate Credit Card: Eligible items under \$10,000. See Corporate Credit Card Policy for details. Personal Purchases are not allowed on the card. Credit Cards are assigned to an individual and cost centre</p>	<p>Obtaining Prices</p> <p>Requisitions \$10,001 - \$50,000 (i.e. Informal RFQ) should be accompanied by three (3) documented price quotations which can be obtained by requisitioning department and sent to Finance and Business Services for issuing purchase order.</p> <p>Requisitions over \$50,000 must be sent to Finance and Business Services for formal competitive bidding process (i.e. RFQ/RFT/RFP). RFT and RFP can only be handled by Finance and Business Services.</p> <p>Tender documents will be posted a minimum of 15 calendar days publicly. For purchase value over \$366,800, posting time must be increased to a minimum of 40 calendar days as per CETA.</p> <p>Definitions</p> <p>RFQ – Request for Quotation. It is used when the list of items or services is well defined. Usually the vendors can simply provide pricing based on the list and specifications provided. Selection of vendor is made by price alone.</p> <p>RFT – Request for Tender. Similar to a RFQ only for the purchase value over \$120,000. Selection is made by price alone.</p> <p>RFP – Request for Proposal. A RFP is used when the details of the purchase are not well defined. Vendors may submit one or more proposals on how to meet the defined and results required by the user. Selection of vendor is made based on a predefined selection criteria.</p>
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Summary of Procurement Thresholds

	Below \$10,000	\$10,001 to \$50,000	\$50,001 to \$120,000	Above \$120,000 Goods and Services	Above \$120,000 Construction Projects
Finance and Business Services Involvement					
Not Required	X				
Optional		X			
Mandatory			X	X	X
Competitive Bidding Requirement					
Not required	X				
3 or more quotes required		X			
Competitive Bidding Process required			X (RFQ/RFP)	X (RFT/RFP)	X (RFT/RFP)
Approval Levels					
Department Head	X				
Department Head and Treasurer/CAO		X	X		Construction Projects below \$300,000 X
Council				X	Construction Projects above \$300,000 X