

Research Procurement

Nathan King – Senior Procurement Officer
(Feb. 19, 2020, St. George campus
presentation)

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Presentation Outline

- Working with Procurement
- Procurement Services
- Competitive Procurement Threshold
- Procurement < 100K
- Procurement > 100K
- Procurement Policy Exemptions
- Non-Competitive Procurement
- Procurement Quiz
- Case Study
- Question and Answer

Working with Procurement Services

- Role of Procurement Services in Research Procurement
- Who to contact?
 - Nathan King
Senior Procurement Officer
416-946-5621
n.king@utoronto.ca
 - Purchasing Helpdesk
purchasing.help@utoronto.ca
- When to engage Procurement Services
 - “The sooner the better”
 - Under \$100K: Prior to commitment to supplier
 - Over \$100K: 6+ months prior to when agreement needs to be in place

Procurement Services

As steward of the University's Procurement Policy, Procurement Services:

- Provides leadership, support and quality service to the University community for purchasing transactions over which Faculties and Departments have delegated authority
- Conducts high value procurements on behalf of the St. George Campus

Values & Principles

- Integrity to Profession
- Accountability & Transparency to the University
- Openness and Fairness to Suppliers
- Reliable Service Delivery to Faculty and Staff
- Compliance to Regulatory Frameworks
- Commitment to Workplace Equity, Inclusion, Diversity and Respect

Financial Sustainability

- Stable Operating Model
- Qualified Professional Staff
- Funding for Project Support

Competitive Procurement Thresholds

Category	Threshold	Requirements	Authority
Goods & Non-Consulting Services	• \$0 – \$4,999	• 1 Quote	• Local Unit
	• \$5,000 – \$24,999	• 2 Quotes	• Local Unit
	• \$25,000 – \$99,999	• 3 Quotes	• Local Unit
	• \$100,000+	• RFP	• Procurement Services
Consulting Services*	• \$0 – \$99,999	• 3 Quotes	• Local Unit
	• \$100,000+	• RFP	• Procurement Services

Procurements < \$100,000

All the rules still apply to ensure fairness, openness, transparency, value for money and process standardization

Ask these questions first: is this a one-time only need, or will I need more often? And if so, will it drive the total cost of ownership over \$100,000? If yes, contact Procurement Services. **If not....**

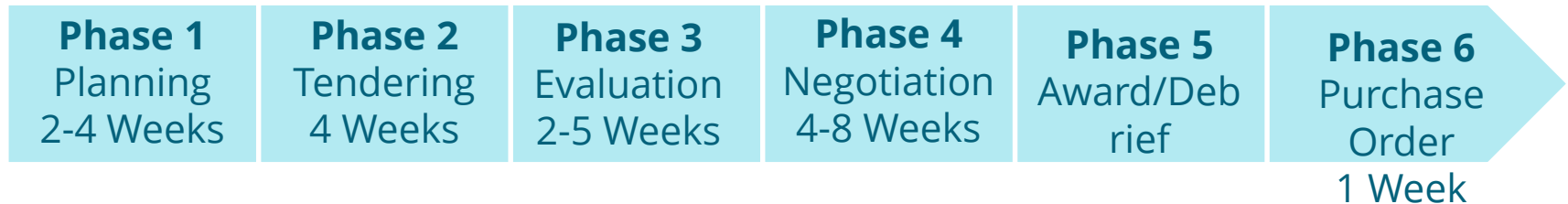
- Ensure funding is available
- Ensure accurate specifications provided to all supplier(s)
- Assess quotes to determine best value and fit for intended purpose
- Create PO with all back-up documentation attached
- Pay only once goods have been received

Invitation to Quote Template



Procurements > \$100,000

RFP PROCESS (Open Competitive) 3 - 6 Month Timeline



Business Officer's Primary Responsibilities:

- Submit Competitive Bid request to initiate project (Phase 1)
- Create FIS Purchase Order (Phase 6)
- Fair Market Value Assessment / other grant reporting requirements

Procurement Policy Exemptions (Non-Competitive Procurement)

- Where circumstances allow and business rationale supports a Procurement Policy Exemption may be permitted (e.g. only one supplier can provide the good and/or service)
- May only be used in circumstances outlined in the exemption, exception or non-application clauses in applicable trade agreements
- Advance Contract Award Notification (ACAN) is required for research purchases greater than \$100,000 CAD



Procurement Policy Exemptions (Non-Competitive Procurement)

- Procurement Policy Exemption Justification (PPEJ) form must be completed prior to making a commitment to supplier
- Required information includes purchase details, background, justification, demonstrated value and appropriate approval signature(s)
- Consultants: The President of the University must authorize all procurement policy exemptions for consulting services, regardless of dollar value, after approval from the Budget Owner One Up Approver



Non-Competitive Procurement

The following are not justifications for non-competitive procurement:

- A researcher has included a specific consultant or equipment in their grant application
- Grant funding is expiring
- Supplier has provided a discounted price
- Improved or better technical specifications are provided by a Supplier

This is not a challenge to a researcher's expertise.

The procurement process is intended to ensure compliance with internal policies, research agency requirements, provincial legislation, and federally negotiated trade agreements.

Procurement Quiz



March 2020
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Procurement Quiz

Q1. How many quotes should I get if the equipment the value of the procurement of \$18,000 and annual warranty of \$3,000 required for two years and delivery costs of \$1,500.

Q2. Who can approve a PPEJ for consulting services?

Q3. When should I contact procurement for an equipment with an estimated cost of \$500,000?

Q4. Is an Advanced Contract Award Notice (ACAN) / CAN an approved procurement method?

Q5. A researcher has listed a consultant in the NSERC grant application that has been approved. Is that a justification for a single source – non competitive procurement?

Procurement Quiz

Answer 1: 3 quotes – total cost of ownership is over 100K.

Purchase Price:	\$18,000
Warranty:	\$6,000 (\$3,000 x 2)
Delivery:	\$1,500
Total Cost:	\$25,500

Answer 2: The budget owner one up approver and the President of the University of Toronto.

Answer 3: Minimum of 6 months before an agreement is required.

Answer 4: The ACAN is not a procurement process. It is a method to validate the limited tendering justification when an open procurement process cannot be undertaken.

Answer 5: No. This is not an accepted circumstance outlined in the exemption, exception or non-application clauses in applicable trade agreements. A competitive process is required.

Case Study



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Case Study

A researcher had a grant approved in 2019, there are a number of procurements that are required under this grant. Please advise how to proceed with the following procurements:

1. The researcher has gotten 1 quote for a piece of equipment the total cost is \$75,000. The equipment is need on site and the researcher would like to proceed as soon as possible with the purchase. How do you proceed?
2. A Supplier has released a new Microscope onto the market. The researcher is particularly interested because the microscope has a stronger light source and better objectives than other comparable microscopes in the market. Additionally the supplier has said they would provide a discounted price to the University. The researcher would like to proceed with a single source procurement.
3. The researcher needs a mass spectrometer, the estimated budget is \$600,000. The Equipment is required on site by September 2020.

Question and Answer



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