Access Check

Access is a shared responsibility between everyone in this space.

• Is there anything (light, sound, temperature, layout) that may affect your participation in this session?
• Are there any other access issues we can address?
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

- 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

<table>
<thead>
<tr>
<th>Category</th>
<th>Threshold</th>
<th>Requirements</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goods &amp; Non-Consulting Services</strong></td>
<td>• $0 – $4,999</td>
<td>• 1 Quote</td>
<td>• Local Unit</td>
</tr>
<tr>
<td></td>
<td>• $5,000 – $24,999</td>
<td>• 2 Quotes</td>
<td>• Local Unit</td>
</tr>
<tr>
<td></td>
<td>• $25,000 – $99,999</td>
<td>• 3 Quotes</td>
<td>• Local Unit</td>
</tr>
<tr>
<td></td>
<td>• $100,000+</td>
<td>• RFP</td>
<td>• Procurement Services</td>
</tr>
<tr>
<td><strong>Consulting Services</strong></td>
<td>• $0 – $99,999</td>
<td>• 3 Quotes</td>
<td>• Local Unit</td>
</tr>
<tr>
<td></td>
<td>• $100,000+</td>
<td>• RFP</td>
<td>• Procurement Services</td>
</tr>
</tbody>
</table>

*Consulting Services* includes professional services that cannot be categorized as goods or non-consulting services.

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Division of the Vice-President, Research & Innovation

March 2020

https://research.utoronto.ca
**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
Procurements > $100,000

RFP PROCESS (Open Competitive) 3 - 6 Month Timeline

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
<th>Phase 5</th>
<th>Phase 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Tendering</td>
<td>Evaluation</td>
<td>Negotiation</td>
<td>Award/Debrief</td>
<td>Purchase Order</td>
</tr>
<tr>
<td>2-4 Weeks</td>
<td>4 Weeks</td>
<td>2-5 Weeks</td>
<td>4-8 Weeks</td>
<td></td>
<td>1 Week</td>
</tr>
</tbody>
</table>

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
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
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