

Procurement at the University of Toronto

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CFI/ORF STAR Workshop
March 2018





Agenda

- Context
- Procurement Policy
- Procurement Thresholds
- Limited Tendering / Non-Competitive Procurement
- Operations
- Website Links
- Q and A



Context

Procurement of goods and services is about:

- Achieving value for public dollars spent as a publicly-funded institution
- Demonstrating effective oversight of financial transactions

Rules of Engagement:

- Exercising fairness, openness and transparency in all procurement activity
- Demonstrating ethical conduct and avoiding conflict of interest
- Implementing appropriate internal controls including oversight
- Using and retaining appropriate documentation
- Managing operational (financial), legal and reputational risk

Context - Continued

Consequences of not following federal, provincial and institutional policies can be significant:

- Granting agencies can pull funding, introduce more accountability requirements
- The public may feel less confident in our ability to protect its interest
- The University may come under closer scrutiny
- Suppliers could claim unfair practices
- The Freedom of Information option can be called upon more frequently

Why take the risk?

University of Toronto Procurement Policy

(April 4, 2011; revised June 8, 2015)

- Policy governs acquisition of goods and services, construction and renovation work regardless of funding source
- Effective April 1, 2011 the University of Toronto formally adopted the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics
- Approval Authority Schedule approved by Governing Council



Key Procurement Regulatory Frameworks

- Canada Free Trade Agreement (CFTA)
- Canada-Europe Trade Agreement (CETA)
- Ontario-Quebec Trade and Cooperation Agreement
- Ontario's Public Sector Accountability Act
- University of Toronto's Governing Council Policies
- Contract Law; Law of Competitive Processes; Privacy and Accessibility Legislation



Supply Chain Code of Ethics

Supply Chain Professional Code of Ethics:

1. **Personal Integrity and Professionalism**
2. **Accountability & Transparency**
3. **Compliance & Continuous Improvement**

Organizational Procurement Principles:

1. **Accountability**
2. **Transparency**
3. **Value for Money**
4. **Quality Service Delivery**
5. **Process Standardization**

Meet the 25 Mandatory Requirements in the BPS Procurement Directive

Thresholds, Procurement Methods

Threshold	Procurement Method	Facilitator
\$0 - \$4,999.99	PCard, uSOURCE, Certified Invoice	Local Unit
\$5,000 - \$24,999.99	2 Written Quotations, unless available on uSOURCE	Local Unit
\$25,000 - \$99,999.99	3 Written Quotations, unless available on uSOURCE	Local Unit
\$100,000+	Formal Request For Proposal or other open competitive procurement method	Procurement Services

Consulting Services must be supported by 3 quotes if total cost is under \$100,000 or by an open tender call if over \$100,000.

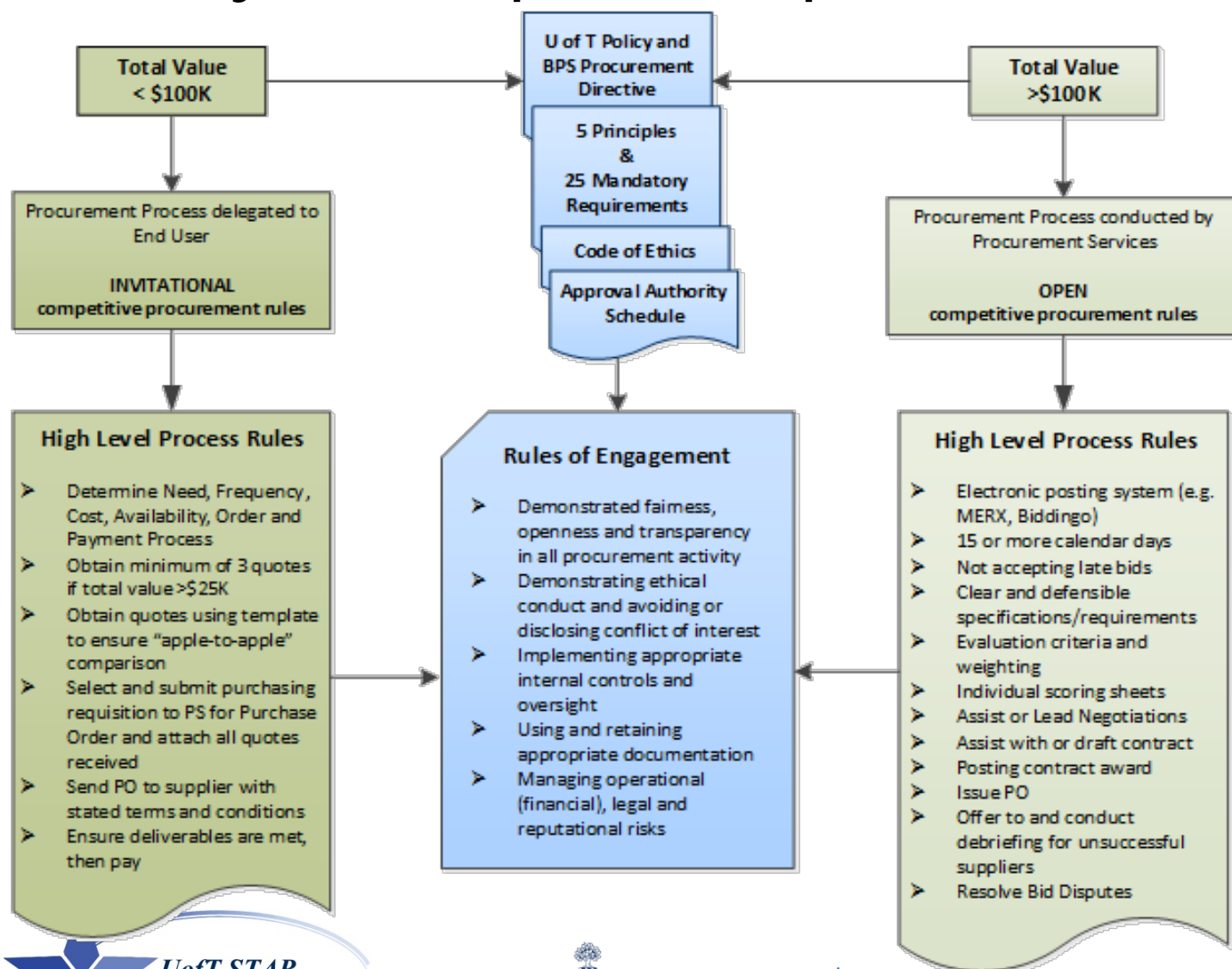
Estimating Procurement Value

When determining the total value of a procurement you should consider all costs and benefits, including but not limited to:

- cost of the goods and/or services;
- other one-time costs such as:
 - site preparation;
 - delivery;
 - installation;
 - integrations with existing systems;
 - testing;
 - training;
 - manuals, technical documentation, user guides, etc.;
 - maintenance and support
 - etc.
- ongoing operating costs (could be 3 to 5 years or more) including:
 - contract extensions/renewals;
 - consumables;
 - on-going training;
 - accommodation;
 - annual maintenance & support;
 - etc.
- disposition costs;
- premiums, fees, commissions, and interest;
- potential exchange rates, etc.



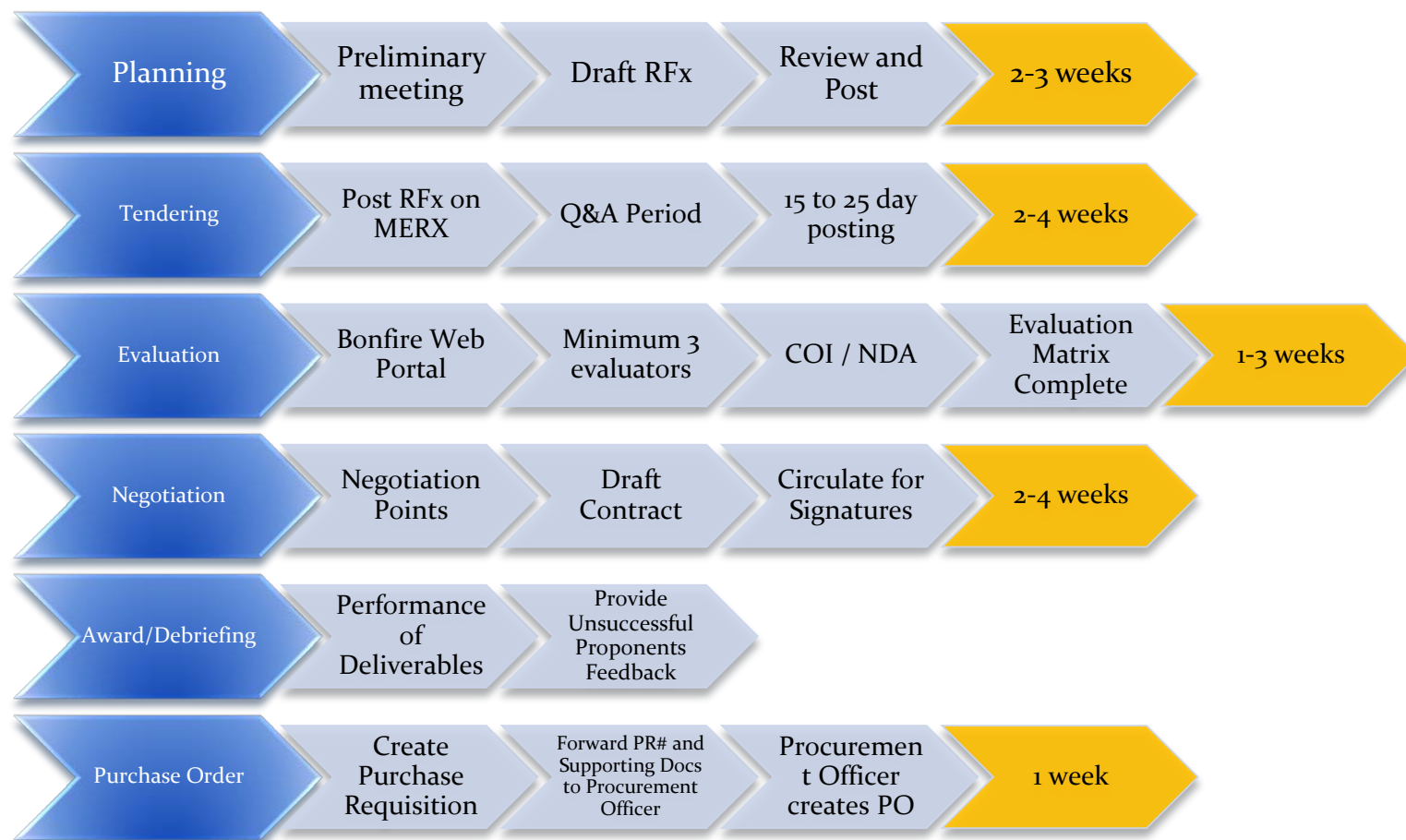
Policy and Compliance Requirements



Common Pitfalls

- Splitting orders to avoid getting quotes or RFX
- (not considering total cost of purchase over time)
- Unclear or incomplete specifications or requirements (resulting in change orders and increased costs)
- Not tracking to contract requirements or deliverables in timely fashion (leading to performance issues after-the-fact)
- Ordering goods or services without proper sourcing process and requesting PO after the fact when invoice is received and payment is required
- Conflict of Interest

Procurement Stages & Timelines



Non-Competitive Procurement

- Non-competitive procurement (a.k.a. Limited Tendering) means selecting one preferred supplier and negotiating directly with them without requesting quotes/proposals from other qualified supplier(s); includes Single Source and Sole Source procurement processes:
 - “Sole Source” means the use of a non-competitive procurement process to acquire goods or services from a specific supplier because there are no other suppliers available or able to provide the required goods or services.
 - “Single Source” means the use of a non-competitive procurement process to acquire goods or services from a specific supplier even though there may be more than one supplier capable of delivering the same goods or services.
- May only be used in circumstances outlined in the exemption, exception or non-application clauses in applicable trade agreements
- Limited Tendering Form must be completed (replaces the Non-Competitive (Single/Sole Source) Procurement Justification form)
- Required information includes purchase details, background, justification, demonstrated value and appropriate approval signature(s)
- President of the University must authorize all non-competitive procurements for consulting services, regardless of dollar value.

New Vendor Set-Up Requests

- New suppliers to the University must be added to the Vendor Master Record
- New Vendor Account Request Form submitted with vendor quote
- Allow **5 business days** for processing.



Procurement Services Website

procurement.utoronto.ca

Contains:

- Procurement Policy
- Programs:
 - uSOURCE
 - PCard & TCard
 - Approved Suppliers
 - Tools, Templates & Forms