

# Procurement at the University of Toronto

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DIVISION OF THE VICE-PRESIDENT,  
RESEARCH AND INNOVATION

# Agenda

- Procurement Context
- Procurement Policy
- Procurement Policy Thresholds & Process
- New CFI Invitation to Quote Form
- Procurement Scenarios
- Non-Competitive Procurement
- Approved Suppliers
- uSOURCE

# Procurement Context

## Procurement of goods and services is about:

- Securing goods, services and construction based on public procurement principles
- 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

## Public Procurement Principles

### BPS

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

### Trade Agreements

- Fairness
- Transparency
- Reciprocal non-discrimination

# 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

<https://www.procurement.utoronto.ca/about-procurement/uoft-procurement-policy>



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# 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

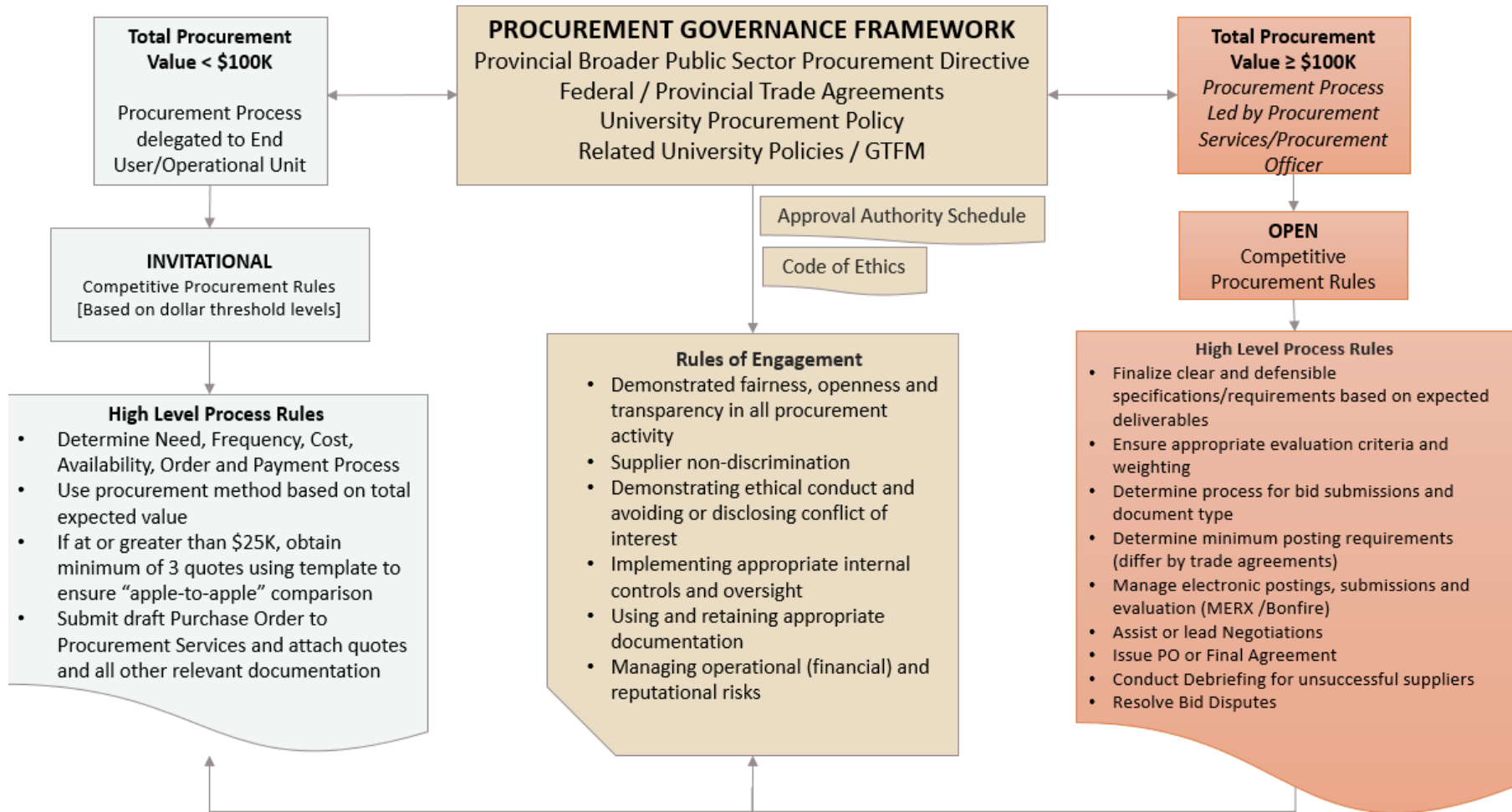
# Procurement Policy Thresholds

- Estimated Procurement Value (includes equipment acquisition costs and all other associated costs e.g. software, warranty, service, installation, delivery, training)
- Determine value and review Procurement Policy Thresholds

Procurement Method	Informal (2 verbal quotes)	Invitational (3 written quotes)	Open (Tender Call/RFx)
Goods	\$5,000-\$24,999	\$25,000-\$99,999	\$100,000 and Over
Non-Consulting Services *	\$5,000 – \$24,999	\$25,000 – \$99,999	\$100,000 and Over
Procurement Authority	Local Unit	Local Unit	Procurement Services

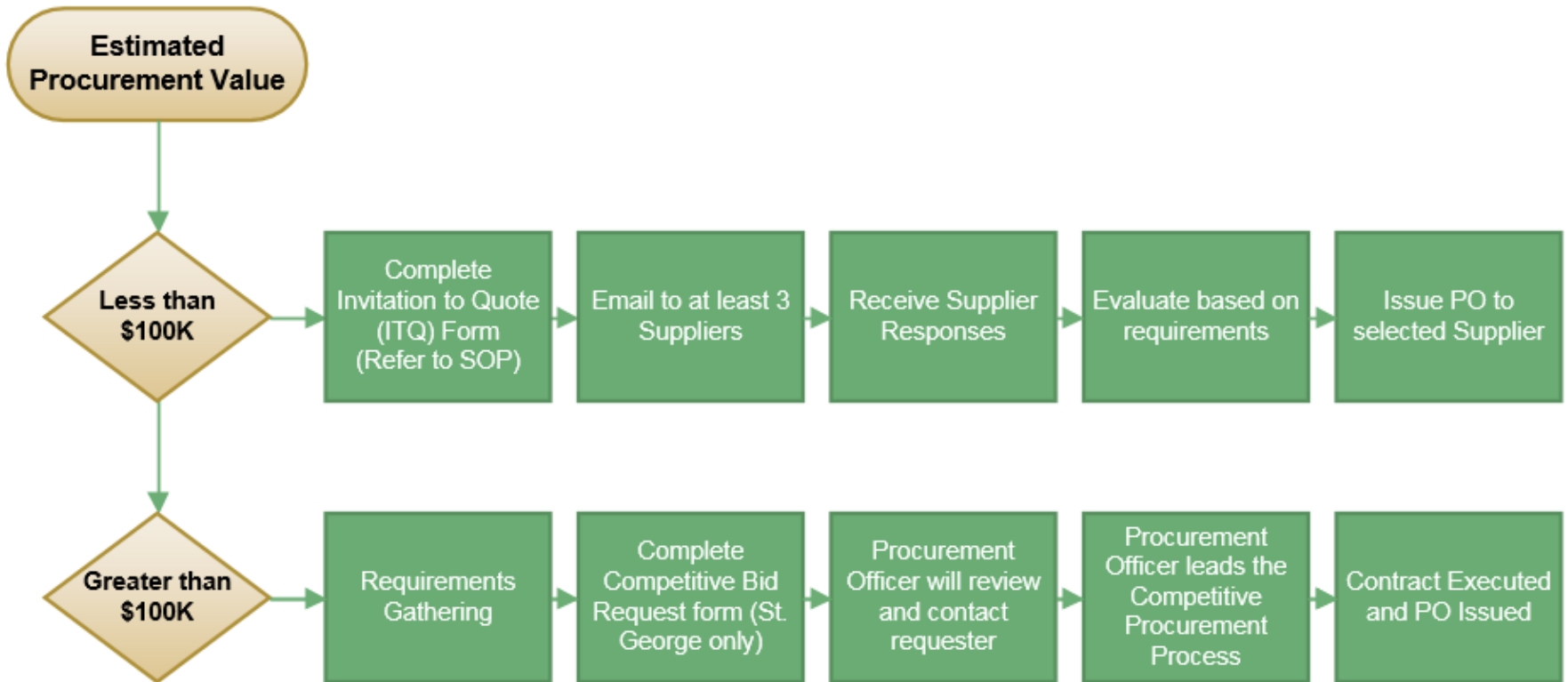
\* Consulting Services must be supported by 3 quotes if total cost is under \$100,000 or by an open tender call if over \$100,000.

# Overarching Process Map: Central vs. Local





# Procurement Policy Process



# Under \$5,000 Procurement Scenario

- Prof. Smith received a CFI grant to purchase a new microscope
- Microscope is valued at approx. \$6,000 including the equipment acquisition cost, software, warranty, delivery & installation.
- Prof. Smith requests quotations from at least 1 supplier
- Prof. Smith reviews the Supplier Quote(s) and selects the quotation that best suits his/her requirements and includes a statement to support decision making
- Business Officer centers Invoice into FIS and attaches all supporting documentation
  - Note: A Purchase Order is not required for purchases valued under \$5,000

	Quote #1
List Price	\$6,000
Normal Discount	\$0.00
Educational Discount	\$600
Price after normal and educational discounts (fair market value)	\$5,400
In-Kind Contribution	\$1,080
Net Purchase Price	\$4,320

# Under \$25,000 Procurement Scenario

- Prof. Smith received a CFI grant to purchase a new microscope
- Microscope is valued at approx. \$16,000 including the equipment acquisition cost, software, warranty, delivery & installation.
- Prof. Smith completes the CFI – Invitation to Quote form and requests quotations from at least 2 suppliers
- Prof. Smith reviews the Supplier Quotes and selects the quotation that best suits his/her requirements and includes a statement to support decision making
- Business Officer creates a Purchase Order in FIS and attaches all supporting documentation
- Business Officer send the Purchase Order to selected Supplier

	Quote #1	Quote #2
List Price	\$16,000	\$20,000
Educational Discount	\$1,600	\$2,000
Price after normal and educational discounts (fair market value)	\$14,400	\$1800
In-Kind Contribution	\$2,880	\$3,600
Net Purchase Price	\$11,520	\$14,400

# Under \$100,000 Procurement Scenario

- Prof. Smith received a CFI grant to purchase a new microscope
- Microscope is valued at approx. \$26,000 including the equipment acquisition cost, software, warranty, delivery & installation.

	Quote #1	Quote #2	Quote #3
List Price	\$26,000	\$30,000	\$28,500
Educational Discount	\$2,000	\$1,500	\$1,500
Price after normal and educational discounts (fair market value)	\$24,000	\$29,500	\$27,000
In-Kind Contribution	\$1,500	\$1,200	\$1,200
Net Purchase Price	\$24,000	\$29,500	\$25,800

- Prof. Smith completes the CFI – Invitation to Quote form and requests quotations from at least 3 suppliers
- Prof. Smith reviews the Supplier Quotes and selects the quotation that best suits his/her requirements and includes a statement to support decision making
- Business Officer creates a Purchase Order in FIS and attaches all supporting documentation
- Procurement Services reviews and releases the Purchase Order
- Business Officer send the Purchase Order to selected Supplier

# New CFI Invitation to Quote Form



## CFI-FUNDED PROJECTS INVITATION TO QUOTE FOR GOODS/SERVICES UNDER \$100,000

THIS IS NOT A PURCHASE ORDER

### Invitation to Quote

This Invitation to Quote ("Invitation") invites Suppliers to submit a non-binding offer ("Quote") for the provision of goods or services to the University of Toronto. Other Suppliers may also be invited to submit quotes.

The use of the Invitation to Quote process is for evaluation and assessment of the Supplier offering. The University is not obligated to make any purchases using this Invitation to Quote. The University is not obligated to award any business as a result of a response to this Invitation.

Since the University is required to comply with the Accessibility for Ontarians with Disability Act (AODA), Suppliers are encouraged to quote on goods, services or facilities accessible to anyone with an accessibility requirement. For more information see [Accessibility Rules for Procurement](#) and the [U of T AODA](#) website.

### General Instructions

- This Quote should be signed and returned to the Contact Person by the due date noted in the timetable above, or it may not be considered.
- Prices should be in Canadian funds unless otherwise specified by the University.
- Where a "brand name" is indicated in the Description, no substitutions will be considered unless the term "or equivalent" appears beside the "brand name".
- The University of Toronto reserves the right to award a contract "in whole or in part". Acceptance of a Quote will be by Purchase Order. Any purchase resulting from this Invitation is subject to the University of Toronto's [Standard Terms & Conditions](#).

TIMETABLE	
Issue Date	_____
Due Date	_____

### U of T Requesting Department

Contact Person \_\_\_\_\_ Department \_\_\_\_\_  
Telephone \_\_\_\_\_ Email \_\_\_\_\_

### Supplier

Company \_\_\_\_\_ Website \_\_\_\_\_  
Address \_\_\_\_\_  
Contact Name \_\_\_\_\_ Title \_\_\_\_\_  
Email \_\_\_\_\_ Phone \_\_\_\_\_

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### Instructions (Delete before sending to Suppliers):

U of T Requesting Department completes Qty/Unit and Item Description columns; Supplier then provides pricing and any applicable discounts, and may provide additional information on a separate attachment.

### Product/Service Requirement Quote

Warranties and/or related services must be quoted as line item(s) below. If an In-Kind Contribution is applied, provide details in the Item Description.

City	Unit	Item Description	Unit Price	Normal Discount (\$)	Educational Discount (\$)	CFI In-Kind Contribution (\$)	Net Selling Price

Freight (if applicable)

TOTAL \$

Guaranteed delivery date (after receipt of PO) \_\_\_\_\_ Prices valid until (specify date) \_\_\_\_\_

**Acknowledgement:** The "authorized agent" acknowledges the Supplier understands the instructions and conditions of this request and hereby offers to supply goods or services as per this Quote; and for greater certainty the agent has the authority to submit this Quote on behalf of the Supplier. The University of Toronto Procurement Policy and Code of Ethics are available on the [Procurement Services](#) website.

Authorized Agent's Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_



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# Over \$100,000 Procurement Scenario

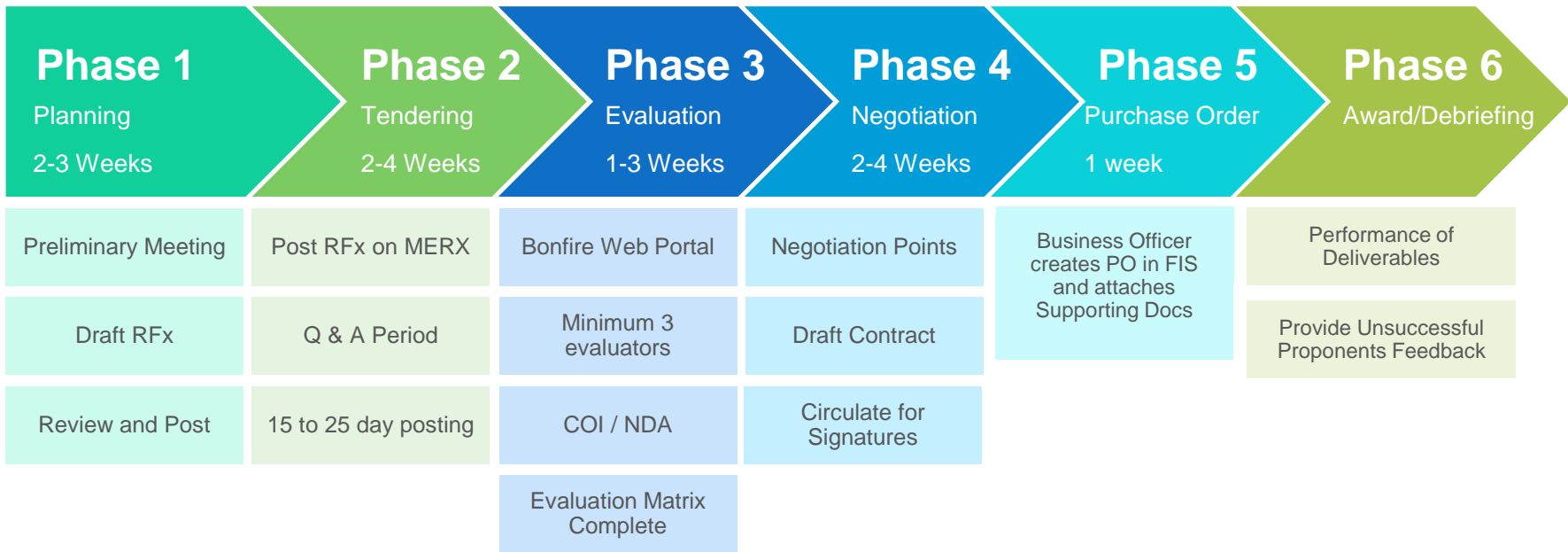
- Prof. Smith received a CFI grant to purchase a new microscope
- Microscope is valued at approx. \$155,000

TCO	Quote #1	Quote #2	Quote #3
List Price	\$160,000	\$170,500	\$155,000
Educational Discount	\$16,000	\$17,050	\$15,500
Price after normal and educational discounts (fair market value)	\$144,000	\$153,450	\$139,500
In-Kind Contribution	\$28,800	\$30,690	\$27,900
Net Purchase Price	\$115,200	\$122,760	\$111,600

- Prof. Smith works with Procurement Officer and Procurement Services issues an RFP on behalf of the University
- RFP is posted on MERX for Suppliers to download and prepare their proposal submissions
- Evaluation Team is created to evaluate the proposals received in response to the RFP
- The top ranked Supplier enters into negotiations with U of T and a Contract is executed
- Business Officer creates a Purchase Order in FIS and attaches all supporting documentation
- Procurement Services reviews and releases the Purchase Order
- Business Officer sends the Purchase Order to selected Supplier

# Procurement Phases & Timelines

## PHASES



# Non-Competitive Procurement

- Non-competitive procurement (a.k.a. Procurement Policy Exemption) 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) prior to making a commitment to the Supplier
- 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
- Advance Contract Award Notification (ACAN) is required for CFI purchases greater than \$100,000 CAD



# Approved Suppliers

- Approved Suppliers provide competitive pricing and discounts, and a variety of options to reduce overall cost to the University. Many waive their shipping fees and provide enhanced warranty and customer service levels.
- Approved Suppliers have agreed to set Terms and Conditions, making the ordering process more convenient, efficient and expeditious.
- Approved Suppliers act as a “yellow pages” of Qualified Suppliers for various categories for purchases valued under \$100,000 CAD.
- For purchases valued over \$100,00 CAD, please contact Procurement Services
- Departments may refer to each webpage to determine Supplier product offering and Supplier contact information:

## Lab Supplies

**BIO-RAD**

Sean Wells  
Sales Representative  
(Consumables and Small Equipment)  
1-800-268-0213 x 3393

Ryan Greenham  
Sales Representative  
(Instruments and Capital Equipment)  
1-800-268-0213 x 3385

Customer Service  
1-800-268-0213



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# uSOURCE

- uSOURCE is the University of Toronto's online marketplace
- uSOURCE is not configured for CFI purchases as no CFI in-kind discount can be applied
- Average uSOURCE Order Value is approximately \$500
- Commonly purchased items on uSOURCE:
  - Office Supplies (e.g. copy paper, sharpie markers, pens)
  - Laboratory Supplies (e.g. gloves, gauze, facemasks)
  - Computers (e.g. Dell Desktop, Macbook Pro)
  - Software from Licensed Software Office



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# Questions?



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