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**Name:** Procurement – Procurement Thresholds / Competitive Process

Policy Number: 4-1013

Origin: Financial Services

Approved: 1 August 1994

Issuing Authority: Director, Financial Services

Responsibility: Manager, Procurement Services

Effective Date 1 May 2014

Revision Date(s): 1 July 1997, September 2007, April 2014

## GENERAL

Where no formal contractual arrangement exists, the anticipated value of the goods, services or construction will determine the procurement process. Please refer to the grid below for the appropriate method.

Thresholds	UNDER \$3,000	\$3,000 to \$24,999	\$25,000 to \$49,999	\$50,000 TO \$99,999	Over \$100,000
GOODS	Written Quote Prov. Standing Offer University Agreement	Competitive Quotes Prov. Standing Offer University Agreement	Public Process through the Provincial Posting Board	Public Process through the Provincial Posting Board	Public Process through the Provincial Posting Board
SERVICES	Written Quote Prov. Standing Offer University Agreement	Competitive Quotes Prov. Standing Offer University Agreement	Competitive Quotes Prov. Standing Offer University Agreement	Public Process through the Provincial Posting Board	Public Process through the Provincial Posting Board
CONSTRUCTION	Written Quote Prov. Standing Offer University Agreement	Competitive Quotes Prov. Standing Offer University Agreement	Competitive Quotes Prov. Standing Offer University Agreement	Competitive Process by Invitation	Public Process through the Provincial Posting Board

## PROVINCIAL STANDING OFFERS / UNIVERSITY AGREEMENTS

The University has access to consolidated agreements and standing offers, put in place through a competitive process initiated by organizations such as Interuniversity Services Inc. (ISI), the Canadian Association of University Business Officers (CAUBO) and the province of Nova Scotia's procurement office. These agreements are for use by the University community,

as per the grid above. A list of the current agreements can be accessed on SMUport / Employee Services / Procurement Services.

### **WRITTEN QUOTE**

When requesting written quotes for transactions below \$3,000 and not covered under a Provincial Standing Offer or a University Agreement, departments are reminded to address the following issues as they apply to the order and to attach all quotes and backup documentation to the purchase requisition:

- lead time for delivery
- method of shipping
- FOB point (who pays the freight)
- insurance coverage
- warranty coverage (on-site or off)
- installation

If there are any questions concerning this policy, please contact Procurement Services.

### **COMPETITIVE QUOTES**

Where the value of the transaction is estimated to be between \$3,000 and \$, 24,999 and is not covered through a Provincial Standing Offer or University Agreement the purchase must be made on a competitive basis where pricing and terms from more than one source are obtained and reviewed. (See [4-1007 Procurement – Ethical Practices](#)). In cases where the user department is conducting the review, all documentation must be forwarded with the purchase requisition.

### **PUBLIC PROCESS**

Legislation mandates the use of a public process within specific thresholds (refer to above grid) which means that the opportunity must be advertised to the public. Departments must contact Procurement Services before commencing the process. Procurement Services will then either coordinate the process or provide guidance, as appropriate.

Departments should allow several weeks for planning and drafting of the document, three (3) weeks for public posting and additional time for evaluation of responses and contract award.

### **REQUESTS FOR PROPOSALS**

Requests for Proposals (RFP) are used to solicit submissions when general requirements are stated and the University wishes to rely on or benefit from the expertise and experience of the

proponents. In this process, proponents are asked to outline their resources, approaches, technologies and costs in a formal proposal. The process requires established criteria, and they typically include considerations other than cost (such as effectiveness and value). Negotiations with suppliers may be required to finalize any aspect of the requirements.

### **CONTRACT AWARD**

Following evaluation, contract award should be to the highest overall scored proponent, based on the established criteria.

### **CONFIDENTIALITY**

All employees should endeavour to protect the confidentiality of pricing and other competitive information. Any requests to reveal competitive information, including those of a public process, must be referred to the Procurement Services Office (see [4-1007 Procurement – Ethical Practices](#)).

### **SOLE SUPPLIER JUSTIFICATION**

As legislated by the Province of Nova Scotia, Procurement Services endeavours to provide a competitive process according to the thresholds outlined in this policy. Before proceeding with a sole supplier purchase, please refer to [http://www.smu.ca/webfiles/4-1024\\_SoleSupplier.pdf](http://www.smu.ca/webfiles/4-1024_SoleSupplier.pdf)