



**Dalhousie University  
Purchasing Policy**

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Financial Services  
Purchasing Department  
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[www.dal.ca](http://www.dal.ca)



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**DALHOUSIE  
UNIVERSITY**

*Inspiring Minds*

HALIFAX, NOVA SCOTIA  
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<b>FINANCIAL SERVICES PURCHASING DEPARTMENT</b>	<i>Instruction Number:</i>
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## **INTRODUCTION**

The University generates a requirement for goods and services that matches the scale and diversity of its academic programs and research activities. Responsibility for identifying [operating, research and capital] purchasing requirements is shared by faculty and staff throughout the institution with oversight and management of the purchasing process resting with the Department of Purchasing.

This Policy applies to purchases funded through all accounts administered by Dalhousie including research grants and contracts.

This Policy outlines the following elements of the University purchasing process:

- purchasing authority and responsibilities within the University
- code of conduct
- acquiring of goods and services
- receiving goods & services
- disposal of surplus materials
- returns for credit

Information pertaining to the Purchasing Department, supplier agreements and purchasing procedures can be found at <http://purchasing.dal.ca>.

## **DEFINITIONS**

“Employee” for the purposes of this policy includes University employees and individuals authorized to purchase on University accounts such as employees of associated employers including grant-holders.

## **Policy**

### **1. PURCHASING AUTHORITY AND RESPONSIBILITY**

The Purchasing Department is responsible for oversight and management of all purchasing activities on behalf of the University.

Before initiating any purchasing transaction, an Employee must have such authority delegated to them under university policies relating to spending authority.

All purchases must be made with a view to maximizing value for each dollar disbursed and as a general rule business shall be placed with those organizations offering the most favorable combination of quality, service and price.

## **2. CODE OF CONDUCT**

The purchasing code of conduct addresses the following key policy areas:

Ethical practices  
Conflict of Interest  
Gifts and Gratuities  
Confidentiality and Accuracy of Information

The following code of ethics shall apply to Employees of Dalhousie University involved in procurement activities. Disciplinary action may be taken for noncompliance with this policy.

Should individuals have questions or concerns about a particular circumstance or event in relation to this code of conduct, the matter should be raised with the person to whom they report.

### **2.1. ETHICAL PRACTICES**

In striving to achieve Dalhousie's mission of serving community and society through education, research and professional service, it is the responsibility of all those involved in University procurement activities to work to maintain the good name of the University, to keep good relations between the University and its suppliers, and to keep in mind that personal contacts form much of the basis of the suppliers' opinion of the University.

In personal contacts with suppliers, each Employee represents the University and should reflect and present the interest and needs of "all" departments, setting aside, if need be, a narrower point of view. The following ethical practices must be adhered to:

- Consider first the interest of Dalhousie University in all transactions and adhere to its established policies.
- Be receptive to competent counsel from one's colleagues and be guided by such counsel without impairing the responsibility of one's office.
- Buy without prejudice, avoiding any practice preventing fair competition while seeking to obtain the maximum value for each dollar of expenditure.
- Demand full compliance with applicable procurement legislation or requirements by all parties seeking to or providing goods and services, to the University.
- Demand honesty in sales, marketing or other representations made to the University whether these be in written, oral or product sample form.

- Cooperate with all organizations and individuals engaged in activities which enhance the development and standing of purchasing and materials management.
- Strive for increased knowledge of the materials and processes of manufacture, and to establish practical procedures for the performance of one's responsibilities.
- Participate in professional development programs so that one's purchasing knowledge and performance are enhanced
- Subscribe to and work for honesty in buying and selling and denounce all forms of improper business practice.
- Provide a prompt and courteous reception to all who contact Dalhousie on a legitimate business mission
- Counsel and cooperate with Interuniversity Services Inc., other universities, government offices and public sector organizations in the performance of their duties.

## **2.2. CONFLICT OF INTEREST**

Individuals engaged in procurement activities at Dalhousie are expected to be free of interests or relationships which are actually or potentially detrimental to the best interest of the University.

The full text of the University policy on conflict of interest can be found under policies and form at <http://senate.dal.ca/>. The general policy statement is as follows:

*A university member shall not participate in an activity or decision that involves an actual or potential conflict of interest unless such activity or decision has been approved in advance by the administrative head responsible for his/her unit of work or study and, if such approval has been given, any terms or conditions made by the administrative head regarding such activity or decision are fulfilled.*

## **2.3. GIFTS AND GRATUITIES**

In serving the interests of the University no Employee shall use his/her authority of office for personal benefit. To preserve the image and integrity of employee and the University, business gifts other than items of small intrinsic value should not be accepted. Reasonable hospitality is an accepted courtesy of a business relationship. The frequency and nature of the gifts or hospitality accepted should not be allowed whereby the recipient might be or might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality or gifts.

In addition, loans are not to be accepted from parties having prospective dealings with Dalhousie University, unless such parties (e.g. bank or credit union) are in the business of making loans to individuals.

## **2.4. CONFIDENTIALITY AND ACCURACY OF INFORMATION**

The majority of transactions relating to procurement activities are of a confidential nature and should be treated as such, especially regarding our suppliers. It is considered unethical as well as damaging to

Dalhousie University's reputation to allow information about one supplier's quotation to be passed on to another supplier. This includes indirect methods such as overheard telephone calls, documentation left on desk during vendor interviews and conversations between Employees within the hearing of suppliers' offices. All documents and files within the Purchasing Department are to be maintained in a confidential manner and access to these files or other purchasing related documentation shall be restricted to those authorized by the Manager of Purchasing.

Information given in the course of one's participation in procurement activity must be true and fair and not designed to mislead or misrepresent.

### **3. ACQUIRING GOODS AND SERVICES**

#### **3.1. PURCHASING CATEGORIES**

The process to follow in purchasing goods and services depends upon the estimated dollar value of the proposed purchase.

##### **3.1.1. PURCHASES UNDER \$1,500**

Purchases with an estimated value under \$1,500 may be made using any of the following methods:

- Purchase Credit Card (P-Card)
- Direct from the Supplier when a purchase agreement is in place
- Purchase Requisition

Quotations are not required; however, it is recommended that more than one supplier be considered for the supply of the product or service to maximize value.

##### **3.1.2. PURCHASES BETWEEN \$1,500 AND \$5,000**

Purchases with an estimated value between \$1,500 and \$5,000 must be initiated with a Purchase Requisition followed by a Purchase Order. At least one quotation is required; however quotations from more than one supplier are recommended.

##### **3.1.3. PURCHASES OVER \$5,000 THAT DO NOT REQUIRE A BID PROCESS**

Purchases with an estimated value within the following ranges must be initiated by a Purchase Requisition, and require at least three quotations where possible:

Goods	\$5,000 - \$ 25,000
Services	\$5,000 - \$ 50,000
Construction	\$5,000 - \$100,000

### **3.1.4. PURCHASES REQUIRING A BID PROCESS**

Purchases with an estimated value that exceeds the values stated below must be made following a Public Tender, Public Vendor Qualification or a Request for Proposals process as determined by the Purchasing Department. Purchase requirements for goods and services in this category can be initiated with a Purchase Requisition or by contacting the Purchasing Department directly.

Goods	\$ 25,000
Services	\$ 50,000
Construction	\$100,000

### **3.1.5. LEASES OR RENTAL OF EQUIPMENT**

Requests for lease or rental agreements must be initiated by contacting the Purchasing Department. These agreements are negotiated by the Purchasing Department.

## **3.2. QUOTATIONS**

Quotations obtained as part of a purchasing process must reflect the method of calculation most appropriate for the estimated cost and/or nature of the goods and services under consideration. Estimated costs must include the price of the goods or services, all taxes, freight charges, insurance, custom and other related costs.

## **3.3. PURCHASING METHODS**

The various methods of purchasing can be described as follows:

### **3.3.1. PURCHASING CARD**

The use of a Purchase Card (P-Card) is intended to streamline and expedite the purchasing process for low value purchases. It is used in the same manner as a credit card, and can be used where the supplier accepts credit card transactions for purchases under \$1,500.

The P-Card holder is required to provide itemized documentation supporting their transactions on a monthly basis and to have the transactions approved by their supervisor.

Details of the P-Card program (including a description of eligible and ineligible expenditures) are available on the Purchasing Department's web site at <http://purchasing.dal.ca> or by contacting the Purchasing Department.

### **3.3.2. DIRECT PURCHASE**

Direct purchasing from a supplier which has entered into a supply contract or purchase agreement with the University is an option for some goods, such as stationary and office supplies. A list of all items available for purchase using this method is available on the Purchasing Department's web site at <http://purchasing.dal.ca> or by contacting the Purchasing Department. Purchases made

through this process must comply with the terms and conditions of the University's contract with the supplier.

### **3.3.3. PURCHASE REQUISITION / PURCHASE ORDER**

A purchase requisition provides authorization for the Purchasing Department to initiate a purchasing transaction.

Fully completed purchase requisitions must be forwarded to the Purchasing Department for review and approval. Details of the procedures for preparing a Purchase Requisition are available on the Purchasing Department's web site at <http://purchasing.dal.ca> or by contacting the Purchasing Department.

Upon approval of the purchase, the Purchasing Department creates a Purchase Order and delivers it to the supplier. Once the supplier accepts the terms of the Purchase Order, the Purchase Order becomes a contract between the University and the supplier.

A copy of the Purchase Order is sent to the Employee who submitted the Purchase Requisition to confirm the transaction, and as a reference for the receiving process and the terms of the contract.

### **3.3.4. BID PROCESS**

To initiate a purchase using a bid process, Employees may submit a completed purchase requisition or contact the Purchasing Department. The Purchasing Department determines which bid process will be used in the circumstances.

There are three types of bid process:

- **A public tender** is a formal solicitation document inviting binding proposals for delivery of goods, services and construction. The public tender process will assess the total evaluated cost for each offer including assessment of maintenance, on-going operating costs such as consumables and warranty details. In a Tender, the requirements are clearly defined with price, work schedule, and delivery, representing some of the evaluation criteria. All suppliers who submit a bid will be informed of the award results.
- **A request for proposals** is a process used primarily for those situations where there are no generic specifications or requirements and the purchaser wants to obtain products or services which best meets their needs. For example, there may be differences in the materials or equipment configuration, which are proprietary to a particular supplier. Such differences can impact on the proposed solution to meet University needs. In such instances, bidding suppliers are asked to provide a detailed recommendation on how the project should proceed and a breakdown of the goods or services required. The process for issuing a request and receiving proposals is the same as for public tenders.
- **A public vendor qualification** is a process during which vendors are pre-qualified before they are able to participate in a bid process. This document solicits vendors for the purpose of identifying and pre-qualifying capable vendors based on specific criteria.

The Purchasing Department manages all aspects of the bid process with input from the Employee requesting the purchase as required, particularly in relation to the preparation of the request for proposals and bid specifications.

All communications with potential suppliers must be made by the Purchasing Department. Communication outside of this process could undermine the integrity of the process resulting in a failed bid or proposal.

The University follows a strict set of procedures regarding the receipt, custody and opening of bids. Please refer to <http://purhcasing.dal.ca>.

### **3.4. OTHER PURCHASING PROCESSES**

Any purchase requirement that cannot be processed by following one of the processes described above will be administered by the Purchasing Department on a case-by-case basis.

## **4. RECEIVING GOODS AND SERVICES**

It is the responsibility of the Employee making the purchase to complete the receipt of goods and services according to the terms and conditions that were identified on the purchase order or agreed upon when the P-Card transaction was initiated.

The Employee is also responsible for resolving any delivery problems prior to approving payment for the delivery. The Purchasing Department will assist with the resolution of any delivery problems that cannot be resolved through discussions between the employee and supplier. Guidelines for receiving goods and services are available on the Purchasing Department's web site at <http://purchasing.dal.ca> or by contacting the Purchasing Department.

Personal shipments are not to be addressed to the University and will not be processed by the Purchasing Department.

## **5. DISPOSAL OF SURPLUS MATERIALS**

Surplus and obsolete materials are the property of Dalhousie University, and as such, should be disposed of in a manner that maximizes the value that the University receives for the materials. The complete policy statement for the Disposal of Surplus Equipment can be viewed on the Purchasing Department's web site at <http://purchasing.dal.ca>.

## **6. RETURNS FOR CREDIT**

Employees must notify the Purchasing Department when items are to be returned for credit. The Purchasing Department will obtain instructions from the supplier concerning how, where, and when items should be returned. These instructions will be communicated back to the employee who shall be responsible for returning the goods in accordance with the instructions and for any related costs or charges.