

Policy Information	
Policy No:	AD-F-2.13
Approved by:	Executive Committee
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Executive Responsible:	VP Finance and Corporate Services
Administrator Responsible:	Director Procurement
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Procurement/Contract Authority

Philosophy

The Board of the College of New Caledonia (CNC) has the ultimate responsibility for the expenditure of all operating and capital funds as per the College and Institute Act. On behalf of the Board, the President is vested with the authority and responsibility to oversee the day-to-day operations of CNC.

The President has delegated spending authority to the Vice Presidents, Senior Administrators, and Managers, who in turn entrust their other designated employees with the authority to commit CNC to expenditures of funds for goods, services, and construction within established guidelines.

Policy

1. General

All commitments for goods, services, and construction/renovations, and all other contracts, except as noted below, are subject to Procurement Policies and must comply with fair business practices and trade agreements. All procurement contracts for goods and services go to Procurement Services Department for processing.

2. Operating Expenditures

2.1 Budget Constraints

Spending authorities must ensure that all commitments for operating supplies, services, and construction/renovations are within the amounts established in the approved operating budgets for which they have responsibility.

2.2 Approval Limits

Approval limits are as described in the **Procurement Contract Authority Threshold Table** that follows this policy. The Vice Presidents/Controller/Directors may delegate this authority to Managers or equivalent positions under written authority. This authority can be delegated to other positions with prior approval of the Vice President of Administration & Finance/Controller.

3. Capital Equipment

3.1 Definitions

Capital equipment is equipment with a cost greater than \$5000. Equipment under \$5,000 is operating expenditure.

3.2 Budget

The Finance department will assign a capital control number to those projects approved in the budget. Finance and the accountable Manager will monitor commitments against the approved capital budgets.

4. Minor Construction/ Renovation Projects

4.1 Definition

Minor construction/renovations projects are projects with a cost in excess of \$75,000 and less than \$250,000.

4.2 Budget

The Director of Facilities and/or his designate will assign a project control number to those projects approved in the budget and will monitor commitments against the approved budgets.

The Director of Facilities and/or designate must approve all contracts and commitments for minor construction/renovations.

5. Major Construction/Renovation Projects

5.1 Definition

Major Construction/Renovation with a cost in excess of \$250,000: this includes Treasury Board Minors (TBM), major projects in excess of 1.5 million, and all equipment that is included in these projects.

5.2 Budget

The Director of Facilities and/or his designate will assign a project control number to those projects approved in the budget and will monitor commitments against the approved budgets.

The Construction Project Steering Committee (PSC) will monitor commitments made against the approved budgets.

5.3 Approved Limits

Approval limits are in the tables that follow this policy.

6. Budget Overruns

This section applies to all capital expenditures.
The VP must authorize any budget overruns.

7. Designated Spending Authority

The Procurement and Finance Departments will receive and retain the names and sample signatures of all designated spending authorities.
All commitments for operating goods and services, equipment, and capital projects, and all other contracts must be confirmed for appropriate spending authority.

8. Absence of Designated Spending Authority

In the event a designated spending authority is absent and there is a wish to delegate that authority during that absence, a formal notification must be filed. Spending authority may be delegated on a temporary basis to a maximum of 6 months.

9. Competitive Bids

Subject to Procurement policies, authority to commit the College of New Caledonia for the procurement of goods and services rests with the Procurement Services Department.

Conducting and concluding negotiations for price, delivery, terms and conditions, is the joint responsibility of the requesting department/function and Procurement Services.

Suppliers are not to leave equipment or goods on loan, for evaluation, donation, or any other purpose unless approved by Procurement Services.

The College of New Caledonia will not be responsible for, or make settlement for, any commitment not authorized by Procurement Services.

9.1 Competitive Bid Exclusions

The Director, Procurement Services in the following circumstances, authorizes competitive Bid Exclusions:

- Proprietary-an item produced or marketed by one company having exclusive legal right
- Single Source-an item that can be procured from one manufacturer or vendor only
- Standard-equipment or supplies that have been standardized through a formal review process
- Excluded Procurements as per the Trade Agreements.

9.2 Procurement Methods-Operating Goods and Services/Contracts

The procurement team for procurement of standard or non-complex goods with an estimated value of less than \$10,000 will obtain documented verbal quotation (minimum of one maximum of three).

At least three formal quotations will be required on all items with an estimated total value of more than \$10,000 to \$75,000. Any goods or services over \$75,000 are subject to a formal competitive process as per Procurement policies.

9.3 Procurement Methods-Capital Equipment/Renovations/Construction

Informal quotations will be obtained for projects with a cost between \$5000 and \$75,000. Formal competitive quotes from at least three contractors/suppliers will be obtained for projects between \$75,000 and \$250,000. All construction

projects with a budget of \$250,000 and higher will be competitive by formal tendering process as per Procurement policies.

9.4 Other

Procurement Services, in conjunction with the end user department/function has the responsibility to ensure that the quality and quantity selected will fulfill the requirements for which the goods/supplies are intended.

Standardization will be our mandate where practical to do so.

The quality of goods/supplies procured will be monitored as new technology of goods/supplies are introduced for evaluation. Procurement Services and the using department/function will coordinate this.

PROCEDURE

1. Delegation of Spending Authority

1.1 Delegated Spending Authority

The Directors and Administrators will complete a Delegated Spending Authority form for each Cost Centre under their responsibility and send the Original to Finance for approval.

1.2 Changes to Delegated Spending Authorities

The Directors and Administrators can add or delete Delegated Spending Authority. The Directors and Administrators must send the change to the Finance department.

1.3 Temporary Spending Authority

A Cost Centre Administrator can designate an alternate spending authority in the absence of a person on the Delegated Spending Authority list.

2. VP Finance & Corporate Services/Controller

The VP Finance & Corporate Services, or the Controller, or a designate will review all Spending Authority forms for completion and verify authorization by the appropriate Cost Centre Manager and Administrator.

The Controller will approve delegations of spending authority for operating expenditures as per the Signing Authority Policy.

3. Finance Office-Accounts Payable

Accounts Payable will maintain all current Spending Authority forms

Accounts Payable will ensure all check requisitions, contracts, and other payment commitments have authorization as per Signing Authority Policy.

4. Director Procurement Services

Procurement Services will ensure that the appropriate spending authorities in Colleague for all requisitions are a valid spending authority in accordance with approval limits set out in this policy.

The Procurement Contract Authority Threshold Table

	Documents	Signing Authority	Prior Approval for Contract award & Signing
Goods & Services (Non-Capital)			
≥ \$250,000	Contract /Purchase Order	President / VP	Budget
\$75,000 - \$250,000	Contract / Purchase Order	VP / Director Procurement	Budget
\$10,000 - \$75,000	Contract / Purchase Order	Purchasing Agent / Analyst, Directors, Operations Manager, Deans	Budget
≤ \$10,000	Contract / C-Card / Purchase Order	Managers, Junior Buyer	Budget

	Documents	Signing Authority	Prior Approval for Contract award & Signing
Contracts-Providers			
≥ \$250,000 in aggregate	Contract/Purchase Order	President/VP	Budget
\$75,000 - \$250,000 in aggregate	Contract/Purchase Order	Director Procurement Services, VP, Directors	Budget
≤75,000 in aggregate	Contract/Purchase Order	Director Procurement Services/Agent/Analyst Operations Manager, Deans	Budget
≤ \$10,000	Contract / Purchase Order	Mangers, Junior Buyer	Budget

	Documents	Signing Authority	Prior Approval for Contract award & Signing
Construction/Renovations (Architects, Consultants, Contractors)			
≥ \$250,000	Contract/Purchase Order	President, VPs	Board, Budget
\$75,000 - \$250,000	Contract/Purchase Order	VP/Director Procurement, Directors/Regional Principal	Budget
\$10,000 - \$75,000	Contract/Purchase Order	Purchasing Agent/Analyst, Directors, Operations Managers, Deans	Budget
≤ \$10,000	Contract / C-Card / Purchase Order	Managers, Junior Buyer	Budget

	Documents	Signing Authority	Prior Approval for Contract award & Signing
Capital Equipment			
≥ \$250,000 in aggregate	Contracts, Purchase Order	President/VPs	Board, Budget
\$75,000 - \$250,000	Contracts, Purchase Order	VP/Director Procurement, Directors/Regional Principal	Budget
\$5,000 - \$75,000	Contracts, Purchase Order	Purchasing Agent/Analyst, Directors, Operations Manager, Deans	Budget
≤ \$5,000	Contract /C-Card / Purchase Order	Managers, Junior Buyer	

	Documents	Signing Authority	Prior Approval for Contract award & Signing
OTHER			
Individuals, Groups	Contract/Purchase Order	President/VP	President, Budget
Affiliation Agreements, Master Faculty Specific	Contract/Purchase Order	President/VP	President, Budget
Insurance Carriers	Contract/Purchase Order	VP	President
Benefit Plans	Contract /C-Card / Purchase Order	Executive Director Human Resources/VP	President
Land Sale Acquisitions	Contract/Purchase Order	President/VP	AEST/Board/President
Lawyers	Contract/Purchase Order	President/VP	Budget
Auditors	Contract/Purchase Order	President/VP	AEST/Board
Consultants ≥\$75,000	Contract/Purchase Order	President/VP	Budget
Leases (≥12 months)	Contract/Purchase Order	President/VP/Director of Facilities	AEST/Board
Payroll	Time Sheets	Management/ or Designate	Budget
Expense Claims	Expense Claims, C-Card Reconciliation	Management/or Designate	Budget
Utilities	Contract/Purchase Order	Director of Facilities	Budget
Building/Property Rental (≤ 12 months)	Contract/Purchase Order	President/Director of Facilities	Budget