



Procurement Effective April 1, 2011

Issued April 1, 2011 by Purchasing Resources

A “commitment” is considered to include a system of products and or services that must be procured in whole to be functionally operable. Larger purchases cannot be “split” into smaller components to circumvent these thresholds.

“Value” means the total anticipated spend outlay (excluding taxes) over the life of the commitment.

In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors or in any contract between McMaster University and a consultant or contractor.

1.0 Competitive Procurement

1.1 Goods, Services, Construction and Non-Consulting

Competition must be obtained **for goods, services, construction and non consulting services** exceeding \$10,000 per commitment in the number and form set out below, TABLE 1:

TABLE 1

Value per commitment	Minimum number of competitive quotes required	Process
\$2500 or less		Multiple options available: <ul style="list-style-type: none"> • Procurement card • Systems contracts • Cheque Requisition
\$2500 to \$9,999	Single written quotation required	<ul style="list-style-type: none"> • Quote can be obtained by department or Purchasing Services. • Department shall complete the purchase requisition before making the purchase. • Purchasing Services to issue purchase order.

<p>\$10,000 to \$49,999</p>	<p>Minimum of three written quotes, where possible (effective April 1, 2011, was minimum of two written quotes). In some circumstances a formal public process may be warranted to increase value for money.</p>	<ul style="list-style-type: none"> • Quotes can be obtained by department or Purchasing Services. • Department to complete the purchase requisition. • Purchasing Services to issue purchase order.
<p>\$50,000 to \$99,999</p>	<p>Issuance of a Request for Proposal (RFP)</p>	<ul style="list-style-type: none"> • Department shall contact Purchasing Services and will provide complete functional specifications. • Department must sign a Conflict of Interest/Non-Disclosure agreement prior to RFP closing. • Purchasing Services shall manage the acquisition process. • Department to complete the purchase requisition. • Purchasing Services to issue purchase order.
<p>\$100,000 or more</p>	<p>A formal public process is required by issuance of a Request for Proposal (RFP) and posting on MERX</p>	<ul style="list-style-type: none"> • Department shall contact Purchasing Services and will provide complete functional specifications. • Department must provide weighted evaluation criteria for inclusion in RFP. • Department must provide evaluation methodology prior to RFP closing. • Department must sign a Conflict of Interest/Non-Disclosure agreement prior to RFP closing. • Purchasing Services shall manage the acquisition process. • Department to complete the purchase requisition. • Purchasing Services to issue purchase order

1.2 **Consulting Services – Effective April 1, 2011**

Competition must be obtained for **consulting services** regardless of value as set out below, TABLE 2. Competitive thresholds for **Contractor/Professional Service** procurement is in accordance with TABLE 1:

- **“Consultant”** means a person or entity that under an agreement, other than an employment agreement, under a fee-for-service arrangement, provides expert or strategic advice and related services for consideration and decision-making, usually in the form of a report.
- **“Contractor/Professional Service”** is a person or entity retained under a fee-for-service arrangement, that is not an employment agreement, to perform specific tasks under a client’s direction for a limited period of time.

TABLE 2

Value per commitment	Minimum number of competitive quotes required	Process
Consulting services \$49,999 or less	Minimum of three written quotes, where possible (effective April 1, 2011, was minimum of two written quotes). In some circumstances a formal public process may be warranted to increase value for money. Effective April 1, 2011	<ul style="list-style-type: none"> • Quotes can be obtained by department or Purchasing Services. • Department to complete the purchase requisition. • Purchasing Services to issue purchase order.
\$50,000 to \$99,999	Issuance of a Request for Proposal (RFP)	<ul style="list-style-type: none"> • Department shall contact Purchasing Services and will provide complete functional specifications. • Department must sign a Conflict of Interest/Non-Disclosure agreement prior to RFP closing. • Purchasing Services shall manage the acquisition process. • Department to complete the purchase requisition. • Purchasing Services to issue purchase order.

<p>\$100,000 or more</p>	<p>A formal public process is required by issuance of a Request for Proposal (RFP) and posting on MERX</p>	<ul style="list-style-type: none"> • Department shall contact Purchasing Services and will provide complete functional specifications. • Department must provide weighted evaluation criteria for inclusion in RFP. • Department must provide evaluation methodology prior to RFP closing. • Department must sign a Conflict of Interest/Non-Disclosure agreement prior to RFP closing. • Purchasing Services shall manage the acquisition process. • Department to complete the purchase requisition. • Purchasing Services to issue purchase order
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2.0 Non-Competitive Procurement – Sole/Single Sourcing

McMaster University will employ an open competitive process when required and whenever possible to increase the chances of achieving the greatest value for money. However, in some specific situations as described in this Sole/Single Source Section, competitive procurement processes may not be warranted.

2.1 Non-Competitive Goods, Services, Construction and Non-Consulting (\$10,000 or greater)

In the event that McMaster University employs a non-competitive procurement process for **goods, services, construction, or non Consulting services**, formal documentation will need to be completed on a Sole/Single Source Certificate link:

<http://www.mcmaster.ca/bms/forms/sole%20source.pdf>

The Sole/Single Source Certificate for the non-competitive procurement of goods, services, construction or non consulting services must receive prior approval by:

Prior Approval Required by:

1. Requester
2. Account Holder
3. 1 Level Higher than Account Holder i.e. Chair
4. Director, Purchasing Resources

2.2 **Non-Competitive Consulting Services - *Effective April 1, 2011 (greater than \$0)***

In the event that McMaster University employs a non-competitive procurement process for **consulting services**, formal documentation will need to be completed on a Sole/Single Source Certificate link:

<http://www.mcmaster.ca/bms/forms/sole%20source.pdf>

Effective April 1, 2011, the Sole/Single Source Certificate for the non-competitive procurement of Consulting services must be complete and approved, as follows:

Up to \$999,999

Prior Approval Required by:

1. Requester
2. Account Holder
3. 1 Level Higher than Account Holder i.e. Chair
4. Director, Purchasing Resources

AND

One of: Assistant Vice-President (Administration), Vice-President (Administration), Vice-President (Research and International Affairs), Provost

and: President

\$1,000,000 and greater

Prior Approval Required by:

1. Requester
2. Account Holder
3. 1 Level Higher than Account Holder i.e. Chair
4. Director, Purchasing Resources

AND

Shall be executed by two (2) of the officers designated in section III.1 of Appendix E (Resolution Respecting the Execution of Instruments by McMaster University) of the By-laws of the Board of Governors after approval has been given by the Board of Governors or by its Executive Committee

Questions:

Please feel free to contact Cynthia Shanahan, Director, Purchasing Resources x 24633 or shanahc@mcmaster.ca