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General Procurement Procedure

This procedure is approved by the Comptroller, as authorized under Section 3.3 of the Procurement Policy.

1. Introduction and Purpose

- 1.1.** The procurement principles and processes in this document are consistent with University of Prince Edward Island Policies.
- 1.2.** The purpose of this document is to ensure the University of Prince Edward Island maintains the highest professional standards in the management of the resources entrusted to it. The University must ensure that Goods, Services, and Construction are acquired in a manner that:
 - a. Obtain optimum value at the lowest overall cost based upon full life cycle costing in the fulfillment of specified needs with appropriate levels of quality and service;
 - b. Use fair and open process when calling for and receiving, and evaluating bids;
 - c. Meet its legal and ethical obligations in the acquisition of Goods, Services, and Construction by purchase or lease;
 - d. Meet its obligations set out in the applicable trade agreements; and
 - e. Employs trained and professional staff skilled in purchasing techniques.

2. Procurement Services

- 2.1.** Procurement Services is responsible for assisting Departments in making procurement decisions that optimize the use of University funds. Procurement Services communicates and enforces appropriate purchasing procedures and controls as well as monitors the University's compliance with the Procurement Policy.

3. Definitions

3.1 Approval Authority means the authority delegated by the University to an Employee to approve a procurement up to specified dollar limit, as outlined in the Spending Authority Policy.

3.2 Award means the notification to a Vendor of acceptance of a bid, quotation or Tender that brings a Contract into existence.

3.3 Bid means a proposal, quotation or Tender submitted in response to a solicitation from a Contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e., Request for Proposal, Request for Tender and Request for Quotation.

3.4 Buying Group means a group purchasing organization that obtains best pricing from prospective Vendors based on volume for its members.

3.5 Cardholder means an Employee who has been authorized to use a Procurement Card for University business.

3.6 Card Administrator means an Employee who has been designated to be responsible for the processing, accounting and filing of documents related to Procurement Card transactions.

3.7 Card Coordinator means an Employee who has been designated to be responsible for the management of the Procurement Card program.

3.8 Card Company means the supplier of the Procurement Card.

3.9 Competitive Procurement means a set of procedures for developing a procurement Contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.

3.10 Construction means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction Contract unless they are included in the procurement.

3.11 Contract means an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a Contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a Contract are; an offer and an acceptance of that offer, the capacity of the parties to Contract, consideration to support the Contract, a mutual identity of consent or consensus ad idem, legality of purpose, and sufficient certainty of terms.

3.12 Delegated Card Verifier means an Employee who has been delegated by the Department to verify and reconcile Procurement Card transactions on behalf of the Cardholder.

3.13 Department means a defined unit or group of Employees within the University's organizational structure.

3.14 Employees mean a person who is hired for a wage or salary to perform work for an employer.

3.15 Electronic Tendering System means an internet based process wherein the complete **Tendering** process; from advertising to receiving and submitting **Tender**-related information is done online.

3.16 Goods means moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction Contract.

3.17 Invitational Competitive Procurement means any form of requesting a minimum of three (3) qualified Vendors to submit a written bid in response to the defined requirements outlined by an individual/organization.

3.18 Procurement Card or PCard means a University corporate credit card which is distinguished by having the “University of Prince Edward Island, (UPEI)” printed below the name of the individual Cardholder.

3.19 Procurement Value means the estimated total financial commitment resulting from procurement, taking into account optional extensions.

3.20 Purchase Order (PO) means a written offer made by a purchaser to a Vendor formally stating the terms and conditions of a proposed transaction.

3.21 Requisition means a formal request to obtain Goods or Services made within an organization, generally from the end user to the procurement Department.

3.22 Services mean intangible products that do not have a physical presence. No transfer of possession or ownership takes place when Services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.

3.23 Single Source means the procurement of a good or service from a particular Vendor rather than through the solicitation of bids from other Vendors who can provide the same item.

3.24 Sole Source means the procurement of a good or service that is unique to a particular Vendor and cannot be obtained from another source.

3.25 Standing Offer means an offer from a Vendor to the University that allows the University to repeatedly purchase Goods and/or Services, or a combination of Goods and Services at pre-arranged prices, under set terms and conditions, when required.

3.26 Sustainable Procurement means obtaining best value for the by integrating environmental, economic and social considerations in the procurement process.

3.27 Trade Agreements means any applicable trade agreement to which Prince Edward Island is a signatory.

3.28 Tender means a solicitation to qualified Vendors.

3.29 Vendor means any person or organization that, based on an assessment of that person's or organization's financial, technical and commercial capacity is capable of fulfilling the requirements of procurement.

3.30 Vendor Debrief means a practice of informing a Vendor why their bid was not selected upon completion of the Contract Award process.

4. Procurement Process

4.1. Value of Procurement

When determining the value of procurement for spending delegation and approval purposes as outlined in this guideline, Departments should not take applicable sales tax into consideration, but should take into account all associated costs of the Goods, service, and Construction. These may include, but are not limited to training, installation, service agreements, etc.

A procurement or an agreement must not be subdivided to avoid any requirement of Procurement Policy.

4.2. Approval Authority

Please refer to the University's Spending Authority Policy.

Employees must adhere to Approval Authority processes for procurement of Goods, Services, property leases, equipment leases, and land or building purchases. The Approval Authority process must identify authorities that are permitted to approve procurements for different dollar thresholds.

Note: UPEI Employees should pay particular attention to the delegation sections on Awarding Tenders, Contracts & agreements, along with and Policy requirements.

4.3. Approved Procurement Tools

Purchasing activities will be conducted in good faith and in a professional manner, with an effort to maintain positive and professional relations with Vendors. All qualified Vendors will be given equal opportunity to compete for business with the University and all disputes should be resolved quickly and equitably. All purchasing decisions will be made with objectivity and integrity, free from any conflict of interests, personal benefits or consideration.

The nature and type of the purchase transaction will determine which of the approved procurement tool is the most appropriate to use. Selecting the appropriate procurement tool will promote efficiencies within the University.

4.3.1 Purchase Order (PO)

Requisitions are processed electronically by Procurement Services, for online Requisitions entered by the requestor directly into the Financial System. Procurement Services will issue official Purchase Orders to Vendors indicating specifics on Goods, Services, costing, date required, delivery location, etc.

4.3.1.1 Standard Purchase Order - A computer generated document that authorizes a purchase transaction. When accepted by the seller, becomes a Contract binding both parties. A PO sets forth the descriptions, quantities, prices, discounts, payment terms, date of performance or shipment, other associated terms and conditions, and identifies a specific Vendor.

4.3.1.2 Blanket Purchase Order - A type of PO with a total amount that is decreased by allowing multiple Requisitions or invoices to draw down upon the blanket order. They are normally used for contract agreements where the total amount is known or estimated and invoices are applied periodically against the PO amount.

4.3.2 Procurement Card

The Procurement Card or PCard is a corporate credit card that is issued to Employees as a method of paying for travel expenditures and low dollar value purchases. The PCard is designed to ensure timely payment to Vendors and to eliminate costly administrative processes.

4.4. Buying Groups

The University may participate in a Buying Group if the group's procurement practices conform to the spirit and intent of the Procurement Policy.

4.5. Standing Offers

Procurement Services exerts considerable time and effort to Tender and negotiate Contracts with Vendors for Goods, Services, and construction. Contracts are normally negotiated for the University to buy from specific Vendors for the life of the Contract.

Procurement Services maintains an active list of all Standing Offers available.

4.6. Procurement of Goods, Services and Construction

4.6.1 If no Standing Offer exists for a spending category, Departments must procure Goods in accordance with the following tables (all values excluding taxes):

Exemptions must be in accordance with the University Procurement Policy and applicable Trade Agreements.

- 4.6.2** All quotations must include at a minimum (as applicable): validity for the current period, price, description of Goods, quotation expiry date, part numbers and/or Services, delivery Free On Board (FOB) to the University, quantity and Net 60 terms of payment.
- 4.6.3** Quotations must be scanned and attached to the electronic purchase Requisition.
- 4.6.4** Goods and or service work cannot be delivered or commence until Procurement Services has issued a confirmation Purchase Order to the successful Vendor. Any amendment to a Contract must be administered by Procurement Services.

UPEI Procurement Thresholds - Goods		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 up to \$2,999	Non-competitive process 1 quote required.	Required
\$3,000 up to \$24,999	Invitational Competitive Procurement, 3 written quotations.	Required
\$25,000 or more	Open competitive process Public Tender.	Required
UPEI Procurement Thresholds – Services		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 up to \$10,000	Non-competitive process 1 quote required.	Required
\$10,000 up to \$49,999	Invitational Competitive Procurement, 3 written quotations.	Required
\$50,000 or more	Open competitive process Public Tender.	Required
UPEI Procurement Thresholds – Construction		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 up to \$9,999	Non-competitive process 1 quote required.	Required
\$10,000 up to \$99,999	Invitational Competitive Procurement, 3 written quotations.	Required
\$100,000 or more	Open competitive process Public Tender.	Required

Dividing procurement activity to reduce or keep the Procurement Value below certain thresholds is not permitted. If a Department anticipates making multiple purchases of the same requirement, the total value of all anticipated purchases must be used to determine the appropriate procurement process.

Low Value Procurement

If the value of the Goods is less than \$25,000; Services is less than \$50,000; and Construction is less than \$100,000 Departments should contact Procurement Services to assist with an Invitational Competitive Procurement.

The exception to this would be the use of a procurement as outlined in section **4.8 Non-Competitive Procurement**.

High Value Procurement

If the value of the Goods is greater than \$25,000; Services is greater than \$50,000; and Construction is greater than \$100,000 Departments must work with Procurement Services to conduct a competitive process. The exception to this would be the use of a procurement as outlined in section 4.8 Non-Competitive Procurement.

Open competitions are posted on the Prince Edward Island Government Tendering Site.

4.7. Trade Agreements

The University has obligations under two domestic Trade Agreements, (Atlantic Procurement Agreement and Canadian Free Trade Agreement). The purpose of the agreements is to ensure fair and open access to publically funded procurement opportunities.

[Atlantic Procurement Agreement](#)

[Canadian Free Trade Agreement](#)

4.8. Non-Competitive Procurement

Any procurement entered into without full and open competition is non-competitive, (sometimes called “Sole Source” or “Single-Source” procurement). Departments should employ competitive procurement processes whenever possible to achieve optimum value for money. It is recognized that special circumstances may require the use of non-competitive procurement. The reasons for non-competitive procurement must meet the required exemptions in section 4.9.

All Goods and Services outside those that have been Awarded through a competitive process must be approved by the Manager of Procurement Services prior to commencement of the procurement.

4.9 Exemptions

Where only one Vendor is able to meet the requirements for a required need, Departments may apply for an exemption provided that the rationale does not do so for the purposes of avoiding competition between Vendors. The following exemptions are consistent with applicable Trade Agreement exemptions: a Department may use a non-competitive procurement in the following circumstances:

a) If:

- i. no Tenders were submitted or no Vendors requested participation;
- ii. no Tenders that conform to the essential requirements of the Tender documentation were submitted;
- iii. no Vendors satisfied the conditions for participation; or
- iv. the submitted Tenders were collusive,

b) if the Goods or Services can be supplied only by a particular Vendor and no reasonable alternative or substitute Goods or Services exist for any of the following reasons:

- i. the requirement is for a work of art;
- ii. the protection of patents, copyrights, or other exclusive rights;
- iii. due to an absence of competition for technical reasons;
- iv. the supply of Goods or Services is controlled by a Vendor that is a statutory monopoly;
- v. to ensure compatibility with existing Goods, or to maintain specialized Goods that must be maintained by the manufacturer of those Goods or its representative;
- vi. work is to be performed on property by a Contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
- vii. work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor;
- viii. the procurement is for subscriptions to newspapers, magazines, or other periodicals;

c) for additional deliveries by the original Vendor of Goods or Services that were not included in the initial procurement, if a change of Vendor for such additional Goods or Services:

- i. cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, Services, or installations procured under the initial procurement; and
- ii. would cause significant inconvenience or substantial duplication of costs for the procuring entity;

- d) if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the Goods or Services could not be obtained in time using open Tendering;
- e) for Goods purchased on a commodity market;
- f) if a procuring entity procures a prototype or a first good or service that is developed in the course of, and for, a particular Contract for research, experiment, study, or original development. Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;
- g) for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular Vendors;
- h) if a Contract is awarded to a winner of a design contest;
- i) if Goods or consulting Services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open Tendering process could reasonably be expected to compromise the University's confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.
- j) acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon;
- k) procurement of Services that may, under applicable law, only be provided by licensed lawyers or notaries;
- l) a good or service for commercial sale or resale;

NOTE: It is **strongly** recommended that sufficient planning and timing be allowed for the competitive Bid process to be implemented. **Poor planning is not a sufficient reason to waive the process and proceed with single / sole sourcing.**

4.10 Ethical Procurement Standards

All Employees who are involved with the process of acquiring Goods, Services or Construction shall perform their duties in accordance with the following ethical procurement standards:

- Ensure their procurement activities are conducted according to University policies, provincial and federal legislation, Trade Agreements and ethical business practices;
- Conduct business with current and prospective Vendors in good faith, and be fair in all business dealings;
- Request removal from a procurement process when a personal conflict of interest is perceived;
- Require Vendors provide accurate representations of Goods, Services and Construction;
- Encourage the negotiation of an equitable and mutually acceptable settlement when a dispute arises;
- Encourage and support collaborative procurement amongst public sector entities, both within Prince Edward Island, and across other Provincial jurisdictions;
- Follow leading procurement practices;
- Strive to obtain the best value for each expenditure by ensuring university procurement decisions consider not only the purchase price, but also the benefit to the environment and social fabric of the university;
- Encourage Vendors to consider sustainability in their product or service offerings;
- Are prohibited from accepting personal gifts, personal loans, entertainment or other special considerations from an individual or a company doing business with the University. It is noted that incidental or low value promotional activities or materials are excluded;

5. Tendering Process

5.1. Preparing a Tender

Issuing a Tender indicates to Vendors that the University will issue an Award at the end of the Tender process. The Department is responsible to ensure funding is available before proceeding with the Tender.

Procurement Services provides processes and documents which are used to acquire Goods, Services, and Construction for Departments. Procurement Services wants to ensure that those who are responsible for purchasing Goods, Services, and Construction utilize the most appropriate mechanism that will maximize the efficiency and convenience of the purchasing process and ensure compliance with the Procurement Policy.

Upon the initial contact with the Department Procurement Services will provide an overview of the process and provide the procurement preliminary questionnaire form for the Department to complete. The form will provide important information, (description of product/service, estimated cost, specifications/deliverables, etc.), that Procurement Services will require to complete the Tender documentation.

5.2. Tender Documents

Procurement Services have templates available that have been reviewed by Legal and Risk Management. The following are the templates:

- Invitation to Tender (ITT)
- Request for Proposal (RFP)
- Request for expression of Interest (RFEOI)
- Request for Information (RFI)
- Request for Vendor Qualifications (RFSQ)
- Advanced Contract Award Notification (ACAN)

5.2.1 Invitation to Tender (ITT)

An ITT is used where the University is able to formulate clear and definite delivery and performance requirements, terms and conditions. Work is Awarded based, predominantly or solely, on price and delivery requirements

5.2.2 Request for Proposal (RFP)

An RFP is used where the University requires solutions for the delivery of complex Goods/Services/Construction, or where the respondents are required to provide alternative options or solutions. Price is not the sole factor in Awarding RFPs.

5.2.3 Request for Expression of Interest (RFEOI)

An RFEOI is used to assess Vendor interest and capabilities to provide required Goods/Services or to conduct market research on available options, without the intention of evaluating the responses or Awarding a Contract.

5.2.4 Request for Information (RFI)

An RFI is used to assess Vendor capabilities to provide required Goods/Services or to conduct market research on available options, without the intention of evaluating the responses or Awarding a Contract.

5.2.5 Request for Qualifications (RFQ)

An RFQ is used to qualify Vendor capabilities to provide required Goods/Services or to conduct market research on available options, without the intention of evaluating the responses or Awarding a Contract. This can lead to a second phase where qualified Vendors are invited to participate in a formal RFP process.

5.2.6 Advanced Contract Award Notification (ACAN)

An ACAN is a public notice indicating to the Vendor community that the University intends to Award a Contract for Goods, Services or Construction to a pre-identified Vendor. This allows other Vendors who believe they can provide the same/equivalent Goods or Services to signal their interest in Bidding by submitting a

statement of capabilities. If no Vendor submits a statement of capabilities that meets the requirements set out in the ACAN, on or before the closing date stated in the ACAN, the University may then proceed with the Award to the pre-identified Vendor.

5.3. Tender Posting

Calls for open competitive procurements must be made through our Electronic Tendering System that is readily accessible by all Vendors. The University utilizes PEI Government Procurement Services website <https://www.princeedwardisland.ca/en/Tenders> to notify Vendors of open Tenders. This link can also be accessed via UPEI Procurement Services website: <https://www.upei.ca/office-vice-president-administration-and-finance/procurement/tenders>

University tenders and procurement opportunities in the following ways:

1. Type "UPEI" in the search box on the Provincial Tenders web page and select "Search".
2. Filter the list using menu headings. Under "Tender Status", click "Open" for current tenders or "Closed" for closed and awarded tenders. Other filters include "Organization", "Tender Category", and "Published Date".

Any change of tender specifications will be added to the tender posting as an Addendum.

5.4. Timelines for Posting Tender

Departments must provide Vendors with a minimum of 10 business days which to respond. Response time should be increased according to the complexity and dollar value of the procurement to a maximum of 30 business days. Response time should be increased accordingly to compensate Vendors for provincial and national holidays.

5.5. Receipt of Tender Submission

Proposal submission must be submitted through the University's online Tendering software portal. Proposals must be uploaded and finalized on or before the Submission Deadline set out in the RFP Timeline.

Vendors will receive an email confirmation receipt with a unique confirmation number upon finalizing their submissions.

Submission materials should be prepared in the file formats listed under the Requested Information for this opportunity in the Tendering software portal.

The University will not accept proposals submitted by facsimile transfer, email, or any other electronic means outside of the Tendering software platform.

5.6. Tender Award

The Award notification is posted on the PEI Government Procurement Services website, in the same manner as the procurement documents were posted. The notification must be posted

after the agreement between the successful Vendor and the University is executed. Contract Award notification must list the name of the successful Vendor, agreement start and end dates, and any extension options. Procurement Services will also post the Awarded value.

5.7. Contract

The agreement between the University and the successful Vendor must be formally defined in a signed written Contract before the provision of supplying Goods or Services commences. University templates are available for Goods and professional Services Contracts. Where an immediate need exists for Goods or Services, and the University and the Vendor are unable to finalize the Contract as described above, an interim Purchase Order may be used. The justification of such decision must be documented and approved by the Manager of Procurement Services as a Single / Sole Source request.

5.8. Vendor Debrief

The purpose of a debriefing is to provide a Vendor with constructive feedback about their Bid. The debriefing process is not a complaint process and should not be treated as such. Information about Bids submitted by other Vendors must not be discussed or disclosed in the debriefing.

Debriefings are an important part of a Competitive Process. They provide opportunity to:

- Recognize the efforts Vendors make in responding to Solicitation Documents issued by the University
- Provide constructive feedback and suggestions for improvements so that unsuccessful Vendors are better prepared for future opportunities, giving the University, in turn, access to more qualified Vendors that are better able to compete

The following is a suggested structure for conducting a debriefing:

- Introductions and reiteration of the purpose of the debriefing
- Overview of the Vendor's Bid, including where the Vendor lost significant points in the evaluation process
- Discussion of suggestions on how the Vendor could improve future Bids
- Questions and answers

The following may be discussed in a debriefing:

- General overview of the evaluation process
- Name and total price of the successful Vendor
- Specific evaluation information related to the criteria used to evaluate the Bids
- Vendor's strengths and weaknesses of the Vendor's Bid in relation to the evaluation criteria
- Suggestions on how the Vendor could improve future responses
- Specific questions and issues raised by the Vendor
- Feedback from the Vendor on procurement processes and practices
- Any information that was shared publicly as part of the Competitive Process

6. Procurement Card

6.1. Use of Procurement Card

The PCard Program is to establish a more efficient, cost-effective method of paying for travel expenditures and low dollar value purchases. The program is designed to ensure timely payment to Vendors and to eliminate costly administrative processes as well as eliminating the need for personal fund expenditures, Requisition for Payments, petty cash or reimbursements.

All purchases on a PCard must also comply with any other relevant policies, including the Travel Expenses Policy in the case of travel expenditures.

The PCard shall only be used for University business and shall not be used for personal expenditures.

6.2 Application for Procurement Card

Procurement Services has been delegated with the responsibility for the issuance and maintenance of the Procurement Card. A new card will be issued upon receiving a completed and signing the application for Procurement Card.

If an Employee's role or function requires the Employee to make low dollar value purchases, the Employee may be eligible to apply for a Procurement Card. A permanent University Employee (full-time, part-time, or recurring term of regular employment status) can be a Cardholder if authorized by their One-over-One Authority.

All Departments requiring a PCard must have a designated Card Coordinator before the application can be processed. Consideration should be given to the types of purchases that can and cannot be made, who will accept the card, records that must be maintained and how to reconcile monthly as well as other needed information.

An application form is available online at <http://www.upei.ca/finance/comptroller/upei-credit-card>.

After the application(s) has been received and approved it will be processed, Procurement Cards should be made available within 5-7 working days.

Upon receipt of the Card Company (Scotiabank), the Corporate Card Coordinator must review with the Cardholder the responsibilities and restrictions regarding the use of the Corporate Card and obtain a **University Procurement Card – Cardholder Agreement** form from each Card Company (Scotiabank) before issuing the card.

The reverse of the card includes a space for the Cardholder's signature. It MUST be signed as soon as the card is received to prevent unauthorized use.

6.2.1 Card Types

The following types of cards are available through the PCard program to University faculty and staff:

Type of Card	Monthly Limit	Trans Limit	Where you can use the card
Purchase Card	5,000	1,500	All Vendors with exception of restricted Vendors
Gas Card	2,500	200	Only gas stations

If the application is for a Gas Card please see the application form is available online at <http://www.upei.ca/finance/comptroller/upei-credit-card>.

After the application(s) has been received it will be processed, cards should be made available within 5-7 working days.

6.3 Duties and Responsibilities

6.3.1 Cardholder is responsible for:

- Adhering to all conditions and restrictions imposed on the PCard by University and Scotiabank.
- Signing and submitting the **University Procurement Card – Cardholder Agreement** to the Corporate Card Coordinator.
- Resolving disputed charges with the assistance of the Card Coordinator or designate.
- Providing all original **itemized** invoices and/or receipts to the Delegated Card Verifier within the Department designated to reconcile the monthly credit card statement within 2 weeks of the cycle end date (27th day of the month). In the case of a lost receipt, provide **a Lost Receipt Declaration Form** with the reconciliation.
- Ensuring that the Procurement Card, monthly statements and other documents bearing the card number are kept in a secure location with controlled access for reconciliation, account verification and audit purposes.
- Reconciles own PCard statements;
- Forwards records to Departmental Card Coordinator;
- Review and Sign PCard statements for accuracy and completeness;
- View transactions online within CentreSuite to verify authenticity and reallocate expenses to appropriate account codes;
- Attach receipts and submit the monthly statement with signature and back-up documentation to Departmental Card Coordinator for central filing;
- Notify Card Company (Scotiabank) Call Centre immediately regarding lost or stolen cards;
- Notify Card Company (Scotiabank) Call Centre immediately of any billing discrepancies posted on the monthly statement that cannot be resolved with Vendor;

- Return the PCard to the Card Coordinator and complete all outstanding reconciliations upon termination or change of employment, including transfers to another Department within University.
- Obtaining Department Head/ Director's approval of reconciled monthly PCard statement.
- Returning the card to the Department Head/ Director or Card Coordinator for cancellation, as appropriate.
- Reporting all items purchased with the PCard which form part of asset and/or equipment Inventory.
- Understand and comply with the Procurement Policy and Procedures
- Keep the PCard secure and notify Procurement Services and the Card Company (Scotiabank) immediately should the card be lost or stolen
- Use the card appropriately in accordance with the Procurement policy and procedures
- Reconcile transactions on a monthly basis
- Obtain receipts, proper signatures and approvals on all documents
- In the case of suspected fraudulent activity, immediately advise the Card Company (Scotiabank) to pursue corrective action. The customer service contact information is found on the back of the PCard and also on the documentation you received with the card

6.3.2 The Card Coordinator (Procurement Services) is responsible for:

- Acting as the primary contact with the Card Company (Scotiabank) on all issues relating to the PCard Program;
- Reviewing internal requests for new Procurement Cards and/or changes and taking the necessary administrative actions with the Card Company (Scotiabank);
- Maintaining a record of all Procurement Cards issued including applications and agreements.
- Authorizing the issuance or withdrawal of the Procurement Cards with the Card Company (Scotiabank).
- Processing bank forms with respect to changes of address and changes of Department or area of responsibility, as requested by Department Head/Director;
- Providing co-ordination with respect to monitoring the overall utilization of the Procurement Card.
- Ensuring that the conduct of all purchasing activity is done in accordance with approved policies and procedures.
- Administer, oversee, and support all aspects of the PCard program
- Review expenditures and evaluate the effectiveness of the program
- Liaise between the Cardholder and Card Company (Scotiabank)
- Monitor compliance with the Procurement Policy

6.3.3 The Card Administrator (Financial Services) is responsible for:

- Processing payments to the Card Company by the due date;
- Uploading the transaction file received from the Card Company (Scotiabank) to FIS, performing reconciliations and initiating the verification process;
- Receiving Expense Receipt Packages from the Department and reviewing for

completeness. Following up with Cardholders and/or Card Administrators on missing items;

- Performing a periodic audit of Cardholder activity to ensure the Procurement policy is being followed; reporting issues of concern to Card Administrators; reporting to the Comptroller the audit results and the actions taken or recommended;
- Notifying Departments of year-end cut-off processes and requirements.
- Retain receipts for a minimum of seven (7) years

6.3.4 Delegated Card Verifier (Reconciliate) is responsible for:

- Resolving disputed charges with the assistance of the Card Coordinator or designate.
- Providing all original **itemized** invoices and/or receipts to the person within the Department designated to reconcile the monthly credit card statement within 2 weeks of the cycle end date (27th day of the month). In the case of a lost receipt, provide a **Lost Receipt Declaration Form** with the reconciliation.
- Ensuring that the Procurement Card, monthly statements and other documents bearing the card number are kept in a secure location with controlled access for reconciliation, account verification and audit purposes.
- Forwards records to Card Coordinator;
- Review and Sign Purchase Card statements for accuracy and completeness;
- View transactions online within CentreSuite to verify authenticity and reallocate expenses to appropriate account codes;
- Attach receipts and submit the monthly statement with signature and back-up documentation to Departmental Card Coordinator for central filing;
- Notify Card Company (Scotiabank) Call Centre immediately regarding lost or stolen cards;
- Notify Card Company (Scotiabank) Call Centre immediately of any billing discrepancies posted on the monthly statement that cannot be resolved with Vendor;
- Return PCard to the Card Coordinator and complete all outstanding reconciliations upon termination or change of employment, including transfers to another Department within UPEI.
- Obtaining Department Head/ Director's approval of reconciled monthly card statement.
- Returning the card to the Department Head/ Director or Card Coordinator for cancellation, as appropriate.
- Reporting all items purchased with the PCard which form part of asset and/or equipment Inventory;

6.3.5 Department Head/Approver of Monthly Purchases is responsible to:

- Notify Procurement Services no less than **two (2) weeks prior** to the Cardholder leaving the University, upon termination of employment, maternity or parental leave, or any other applicable circumstances
- Review and approve PCard statements to ensure that charges are appropriate

6.4 Using the Program

6.4.1 The PCard may be used at any Vendor who accepts the VISA card throughout Canada, the US and Internationally.

The Cardholder is responsible for the security of the Card and each transaction made with the Card. The Card is issued in the Cardholder's name and it will be assumed that any purchases made with the Card will have been made by you. A Card used out of compliance with the guidelines established for this program will result in consequences, up to and including termination of employment.

The card is NOT to be used for ANY of the following purchases

Restrictions:

- Personal Purchases
- Cash advances or reimbursements
- Donations
- Maintenance Contracts; Equipment rentals exceeding 30 days (leasing of equipment is prohibited)
- Transactions over \$1,500.00 - if transactions are over \$1,500, a purchase Requisition or credit limit Increase request is to be used

6.5 Credit Limit amendment

A PCard limit can be changed upon the Card Coordinator receiving written authorization using the Credit Limit Change Form available on Procurement Services section on the internal website.

The change to the credit limit is expected to be made within a time frame that is in compliance with banking arrangements. This is normally within 24 hours, however under certain circumstances, can be changed immediately.

The PCard limit can be amended, with the authorization of the Manager of Procurement Service, or his/her designate. The PCard limit amendment form needs to be completed and signed and authorized.

[The Procurement Card limit amendment form](#)

6.6 Reconciliation of Card Statement

The Cardholder is responsible to ensure that monthly reconciliations are completed on time, either by the Cardholder or a designated individual. All transactions must be reviewed and settled monthly. PCard transactions are posted on the Card Company's (Scotiabank) website settlement system on the 15th day after the statement date.

Cardholders or the Designated Card Verifier will log onto the proper website using their web browser. Each card must have an assigned reviewer. The reviewer is the individual responsible for regularly verifying transactions on the settlement system. Reviewers will make the required changes, adding business purposes where needed, and maintaining the

proper supporting documentation stated above as per the instructions found on Procurement Services' website.

While individual Cardholders most commonly reconcile their own Procurement Card, Departments and faculties are encouraged to designate one individual in their cost center to maintain records and review transactions monthly on the credit card provider's website for all cards in that cost center.

Failure to reconcile on a monthly basis will result in the card being cancelled.

Copies of the approved reconciliations/statements must be kept on file with original copies of receipts attached.

If the default "General Ledger account" number has been changed during the reconciliation process and there are any errors in the input, Procurement Services will re-key the entry back to the default "General Ledger account" numbers.

Once the transaction is loaded onto the settlement system, authorized users will need to reconcile each and every transaction by the reconciliation dates.

When all transactions for a given cycle date have been reviewed, an activity statement must be printed, signed by the Cardholder, and approved by the One-Over within the allotted reconciliation time frame.

All original corresponding receipts for the current month are to be attached to the statement and filed locally. Even if there are no transactions for the current month, the statement must be printed and signed by the Cardholder and the Supervisor for future audits.

A backup reviewer needs to be designated in the case where the reviewer will be absent during the month end reconciliation cycle process. Cardholders must forward all supporting documentation, including credits to the Procurement Card, to the person in the Department who has been assigned responsibility for document retention in a timely manner. Failure to reconcile PCard will result in cards being cancelled.

Missing Receipts

While all efforts should be made to acquire and retain original receipts, in the event that documentation for a purchase is missing or receipts are lost or misplaced, the Cardholder may contact the Vendor and obtain a duplicate receipt/invoice.

6.7 Cancellation of Cards

It is the responsibility of the Cardholder to return the physical card to Procurement Services no less than two (2) weeks prior to leaving the University upon resignation of employment or retirement, or any other applicable circumstances.

Department Heads are responsible for ensuring that cards are cancelled when an Employee leaves their position in that Department for which the card was issued, and that all outstanding or relevant receipts have been collected. The account attached to the PCard must be reconciled in order to facilitate closing the account attached to the card. A backup person must be designated to reconcile the card in the event that the Cardholder is unable to.

Please ensure that Procurement Services is informed of the Cardholders name, the account to which the card is attached, and **only the last four (4) numbers on the card**. It is helpful to specify if the Cardholder has transferred between units at the University or left the University entirely.

To cancel a PCard , first contact Procurement Services. The physical plastic must be cut in half width-wise, sealed in an envelope and sent to:

Procurement Services
Kelley Memorial Building, room 117

The Cardholder must return the PCard to the Card Coordinator for cancellation, through the Department head or Director, when:

- * specifically requested to return the card by the Card Coordinator or the Department Head or Director
- * upon transfer to another Department or area of responsibility; or
- * upon termination of employment with UPEI.

The Procurement Card cancellation form “hyperlink”

6.8 Misuse of Cards

The issuing of a PCard represents the University's trust in you as a responsible Employee who will safeguard and protect University assets. As a Cardholder, you assume the responsibility for the protection and proper use of the procurement card. This includes both the proper and ethical use of the card as well as the regular reconciling of the associated account.

Procurement Cards and card numbers must be safeguarded against use by unauthorized individuals within or outside the university.

The following situations are examples of misuse of the procurement card:

6.8.1 Personal Misuse

- Purchases made for the sole benefit of the Employee
- Use of a PCard by a suspended or terminated Employee or an Employee on leave.

6.8.2 Administrative Misuse

- Lack of proper and timely reconciliation of individual Cardholder accounts
- Lack of funds in the Departmental or research budget accounts
- Splitting an order to avoid the single-purchase limit
- Use of the PCard to purchase commodities that have been restricted.

6.8.3 The Cardholder's Departmental Head or Supervisor has the responsibility to report instances of misuse. Supervisors have the responsibility to suspend or terminate card privileges in instances of misuse, and report them to Procurement Services. As the Supervisor approving the issuance of the PCard to the Cardholder, the Supervisor is responsible for verifying proper use and monthly reconciliation of the card by the Cardholder or other designated individual and signs to this effect on the monthly system printed statement.

Improper use of the PCard may also result in disciplinary action, up to and including termination of employment. A Cardholder shall be held personally liable for unauthorized, unapproved, or inappropriate use of the PCard. Procurement Services may cancel Procurement Cards for non-adherence to the Procurement Policy and Procedures, at any time.

It is the responsibility of the Department Head and the Cardholder to ensure Procurement Services is notified no less than two (2) weeks prior to the Cardholder leaving the University, upon termination of employment, maternity or parental leave, or any other applicable circumstances.

6.9 Troubleshooting a PCard

6.9.1 Returning an Item

Items should be returned directly to the Vendor by whichever logistics the Vendor requires. It is the Cardholder's responsibility to return items and determine that proper credit is posted to the PCard for any returned item.

6.9.2 Disputing a Transaction

A Cardholder may dispute a charge that appears on their monthly credit card statement. The Cardholder is responsible for following up with a Vendor for any erroneous charges, disputed items, or returns. Disputed charges can result from failure to receive Goods, fraud or misuse, altered charges, defective merchandise, incorrect amounts, sales tax charges, duplicate charges, credits not processed, etc.

The Cardholder should contact the Vendor first in order to resolve any outstanding issues. Most issues can be resolved in this way. If successful, make sure to get a written confirmation of the credit from the Vendor. If unsuccessful, contact the Card Company's (Scotiabank) Customer Service number on the back of the card to discuss further action.

Disputing a transaction does not exempt a Cardholder from submitting the monthly reconciliation on time.

6.9.3 Loss, Theft or Unauthorized Use of Purchase Cards

Cardholders must inform the Card Company (Scotiabank) at 1-888-823-9657 and the Card Administrator immediately of loss, theft or unauthorized use of a PCard issued to him/her.

If any PCard is lost or stolen, Cardholders have three days to contact the Card Company (Scotiabank). Departments will be liable for debts, including interest, up to \$50 resulting from their use, until VISA has been notified that the card has been lost or stolen. Departments using the PCard are responsible for any charges relating to their cards. Liability for charges rests with the Department, not the individual Cardholder.

6.9.4 Fraud

For a transaction not authorized, disputing a transaction will cause a card to be cancelled, resulting in a new card for the Cardholder. The dispute process for a transaction not authorized involves the following steps

Step 1: Cardholder contacts Scotiabank Call Centre
1- 888-823-9657

Step 2: Cardholder must sign and fax back dispute form sent to them by Scotiabank

Step 3: New card is issued and arrives in Procurement Services

Step 4: Transactions that are determined to be fraudulent will be automatically removed from VISA bill.

6.10 Card Violations

The PCard is entrusted to individuals in accordance with the procedures outlined in Procurement Card agreement. Individuals are required to immediately bring to the attention of the Card Coordinator, any misuse or unauthorized use of the Procurement Card.

Failure to adhere these procedures constitutes misuse of University property and may result in the cancellation of the PCard and also result in disciplinary action. The Comptroller reserves the right to remove all cards at an individual or Departmental level for non-compliance.

Department Review for Violations

Specific violations may result in the Cardholder receiving a written warning. Three warnings within one calendar year can cause the card to be cancelled. The following violations can cause the audit process to begin:

PCard used to purchase restricted items including personal purchases

Repeatedly late with submitting PCard statement in timely manner to Card Administrator

Repeated missing backup documentation

Repeatedly splitting transaction (single item costs more than transaction limit)

Not reporting a lost or stolen card

The following steps may be taken if there are violations found:

1st violation – warning

2nd violation – 3-6 month card suspension

3rd violation – card cancelled

Continuous monitoring of all PCard transactions will apply to all Cardholders. Please ensure all original documents are available upon request and central filing records within the Department are kept up to date.

6.11 Contacts for the Procurement Card Program

Procurement Services and the Card Company (Scotiabank) are available to ensure that the program runs smoothly and adapts to the University's changing needs. We also help you manage the individual account in regards to lost cards, transactional inquiries, declines and disputes.

For further information please contact Procurement Services at procurementservices@UPEI.ca

Scotiabank Customer Service (Scotiabank Call Centre)

Scotiabank Call Centre representatives provide 24-hour (and 7 days/week) telephone support to individual Cardholders. The number is 1-888-823-9657.

Customer Service Representatives duties:

- Provide general account information
- Activate new Cards
- Cancel Lost /Stolen Cards
- Process disputes
- Provide available balance information
- Issue replacement cards for any damaged cards
- Provide backup documentation for transactions
- Replace worn out/defective cards

To verify the Cardholder's identity when calling the Call Centre the Cardholder will require the date of significance. Procurement Services will provide the date of significance with the new Procurement Card.

7. Sustainable Procurement

7.1 The University shall whenever appropriate promote the purchase and use of sustainable and environmentally-friendly products and Services.

7.2 The University shall promote the re-use of products and materials wherever practical by purchasing recycled or re-furnished alternatives. When re-use is not available, economical or suitable, then the University shall endeavor to purchase products and services which:

- 7.2.1 Contain post-consumer recycled materials;
- 7.2.2 Contain materials that lend themselves to recycling;
- 7.2.3 Contain recyclable packaging; and
- 7.2.4 Are not harmful to the environment

8. Sale of Assets

Procurement Services is responsible for the sale of surplus assets. Funds from the sale of surplus assets are recorded as the revenue of the University.

Procurement Services facilitate the sale of University Assets. Assets that have reached their end of life can be sold by a public Tendering process.

If a Department has assets that are no longer needed, they are to contact Procurement Services to arrange for the sale and disposal.