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Parent Policy: [Supply of Goods and Services Policy](#)

## Competitive Bid and Competitive Bid Exception Procedure

<b>Office of Administrative Responsibility:</b>	Supply Management Services (Procurement & Contract Management)
<b>Approver:</b>	Associate Vice-President (Finance & Supply Management Services)
<b>Scope:</b>	Compliance with this university policy/procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B).

<b>Contact for questions about this procedure:</b>	<b>SMS Customer Service</b> 780-492-4668 customerservice@sms.ualberta.ca
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### Overview

The University is committed to an open and non-discriminatory acquisition process for all goods and services required by University units in support of their operations. The competitive bid process ensures that the University complies with appropriate regulations and trade agreements, applies best practices, and receives the best overall value for the purchase of goods and services.

All purchases in excess of the Competitive Bid thresholds are subject to the Competitive Bid and Competitive Bid Exception Procedure.

### Purpose

The purpose of this procedure is to outline the process to be followed in soliciting competitive bids in order to initiate the purchase of higher value goods and services and to outline the circumstances under which it may be appropriate to forgo the competitive bid process and proceed directly to the acquisition with a **sole source** supplier (competitive bid exception). This procedure also outlines the process to be followed when requesting a competitive bid exception (CBE).

## **PROCEDURE**

### 1. COMPETITIVE BID THRESHOLDS AND VALUATION

#### a. Thresholds

In order to comply with the New West Partnership Agreement (NWPTA), the Canadian Free Trade Agreement (CFTA) and the Comprehensive Economic Trade Agreement (CETA), the University must competitively bid and advertise purchases greater than the following thresholds:

- goods and services \$75,000 CDN and above, and
- construction services \$200,000 CDN and above.

- b. Valuation
  - i. To determine the value of goods or services, include the estimated current value along with all forms of remuneration including premiums, fees or commissions, and any costs for installation, operation, or maintenance. Taxes are not included in the valuation.
  - ii. The valuation must also include all potential contract extensions.
  - iii. Splitting purchases into multiple requisitions to circumvent thresholds is prohibited.

It is recommended that purchases under the competitive bid thresholds have a minimum of two quotes.

## 2. COMPETITIVE BID REQUEST

The University has different competitive bid processes but the two most common are **Request for Bid** and **Request for Proposal**. The competitive bid process may vary depending on the requirements, dollar value or complexity of the proposed purchase.

The following procedure is to be followed to initiate a Competitive Bid request. Business Units should engage SMS early in the process to discuss procurement strategy and timelines. For questions prior to initiating a PR, contact SMS at 492-4668 or [customerservice@sms.ualberta.ca](mailto:customerservice@sms.ualberta.ca) to be directed to the appropriate SMS consultant.

- a. Complete a Purchase Request (PR)
  - i. Using SupplyNet, the Business Unit will complete a PR which includes a description of the goods and services to be purchased, the quantity, the estimated purchase price and a potential source of supply. The PR is required to provide account details and to initiate the procurement process and the development of competitive bid documents.
  - ii. Once approved by the budget owner, the SupplyNet PR will route to a SMS Consultant who will contact and work with the Business Unit in the development of competitive bid documents.

For SupplyNet instructions and instructions on the creation of a PR, see *Create Request* training materials in the [SupplyNet: Requester Reference Guide](#).

- b. Establish Evaluation Criteria

SMS will work with the Business Unit, as part of the process to develop the bid documents, to establish evaluation criteria (such as technical merit, servicing and warranty, corporate stability and sustainability) and weighting (if price is not the only factor) to evaluate bid submissions.

- c. Prepare and Post Competitive Bid Documents

- i. All proposed purchases in excess of the *Competitive Bid Thresholds* will be posted on the Alberta Purchasing Connection (APC) website for the supplier community to consider. Suppliers are given a reasonable period of time, based on the value and complexity of the proposed purchase, to respond. Some trade agreements require high value purchases to be posted for up to 40 days.
- ii. SMS will prepare and post the competitive bid documents.
- iii. SMS is the single point of contact for suppliers during the bid process.
- iv. A Participation Agreement, provided by SMS, must be completed and signed by all individuals participating in the bid and evaluation process.

- d. Evaluate the Bids
- i. Once the Bid closes, an SMS Consultant reviews all submissions to ensure commercial compliance and compliance with the mandatory requirements of the bid document.
  - ii. The SMS Consultant forwards the submissions to the Business Unit (and evaluators, if applicable) for review.
    - All bid submissions must be evaluated as per the published criteria.
    - The evaluators must document the methodology for awarding/deducting points and then consistently apply the methodology while evaluating all bid submissions.
    - An evaluation summary document must be created noting the points awarded and the reasons for the point allocations.
- e. Selection of the Successful Supplier
- i. The successful supplier is selected based solely on the evaluation criteria. All evaluation documentation must be returned to SMS and should clearly indicate the successful supplier as well as approval of the item(s) to be purchased. SMS is the official record holder of all documents.
- f. Awarding of the Purchase Order or Agreement
- i. SMS will contact the successful supplier and issue the Purchase Order and/or Agreement.
  - ii. No goods or services are to be provided to the University until a fully executed PO or Agreement is in place.
  - iii. Once the contract is finalized, the award information (supplier information and contract value) will be posted on the Alberta Purchasing Connection (APC) website, as required by trade agreements.
- g. Debriefing
- i. SMS will provide notice to all unsuccessful suppliers.
  - ii. Upon request, SMS must provide a debrief to any unsuccessful supplier. The Business Unit may be asked to participate to provide technical comment.

### 3. COMPETITIVE BID EXCEPTION REQUEST

While all procurement should occur through competitive means, situations may arise where the procurement is not covered by a trade agreement or where the opportunity to solicit competitive bids may not exist. In these instances a Competitive Bid Exception (CBE) may be appropriate. An exception cannot be used to avoid competition between suppliers or to discriminate against suppliers.

For examples of situations where sole source purchasing may be exercised, and where trade agreements are not applicable, see: *Justification for Competitive Bid Exceptions*.

SMS is required to report all CBEs to the University Board of Governors' Audit Committee.

The following procedure is to be followed for a CBE request.

- a. Determine that a Competitive Bid Exception is Allowable

In order for a CBE to be approved, the Business Unit must demonstrate why an exception would be allowable.

- b. Complete a Purchase Request (PR) and a CBE Form

- i. Using SupplyNet, the Business Unit will complete a PR which includes a description of the goods and/or services to be purchased, the quantity, the purchase price and the supplier's legal name. The PR is required to provide account details and to initiate the procurement.
- ii. Complete the CBE Exception Form clearly outlining the reason(s) for a sole source acquisition.
- iii. Attach the CBE form to the PR request and submit.
- iv. Once approved by the budget owner, the SupplyNet PR and CBE will route to a SMS Consultant who will review and evaluate all CBE requests.

For questions prior to the completion of a PR or CBE form, contact SMS at 492-4668 or [customerservice@sms.ualberta.ca](mailto:customerservice@sms.ualberta.ca) to be directed to the appropriate SMS consultant.

- c. CBE Review and Evaluation

- i. SMS Review and Approval

- The SupplyNet PR and CBE will route to a SMS Consultant for review and evaluation.
- If the CBE request complies with allowable exceptions and is approved, SMS will post an Advance Contract Award Notice (ACAN) on the Alberta Purchasing Connection (APC) website to verify the validity of the sole source. The justification provided on the CBE form will be included in the posting, which remains on the site for 5 days to comply with trade agreement obligations.
- If no supplier(s) successfully challenges the ACAN, SMS will proceed with the acquisition of the goods and services from the identified sole source supplier.
- Once the contract is finalized, the award information (supplier information and contract value) will be posted on the APC website.

- ii. SMS Review and Disallow

If the CBE request is deemed not to be an allowable exception SMS, in consultation with the Business Unit, will initiate a competitive bid process in accordance with s.2 of this procedure, *Competitive Bid Request*.

## **DEFINITIONS**

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [ <a href="#">▲Top</a> ]	
<b>Sole Source</b>	Goods or services that are only available from one supplier. No reasonable alternative or substitute exists from any other source.
<b>Request for Bid</b>	A competitive bid process that is undertaken typically for transactions where price is the key factor in the purchasing decision.
<b>Request for Proposal</b>	A competitive bid process that is undertaken typically for higher dollar value and/or complex transactions where factors other than price will be used to make the final purchasing decision.

**FORMS**

Should a link fail, please contact [uappol@ualberta.ca](mailto:uappol@ualberta.ca). [[▲Top](#)]

[FS/SMS Forms Cabinet: Competitive Bid Exception \(CBE\) Form](#)

[FS/SMS Forms Cabinet: Competitive Bid Exception Form \(F&O\)](#)

**RELATED LINKS**

Should a link fail, please contact [uappol@ualberta.ca](mailto:uappol@ualberta.ca). [[▲Top](#)]

[Justification for Competitive Bid Exceptions \(SMS Website\)](#)