

# McMaster Procurement Department

Financial Affairs



## Procurement Team

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HOW TO BUY AT  
MCMaster UNIVERSITY

“KNOWLEDGE THE  
BEGINNING TO A GREAT  
STRATEGY”



# An Introduction to Policy, Competitive Procurement, Limited Tendering, and Customs

## Strategic Procurement Policy SP-01

The purpose of this Policy is to govern the acquisition of goods and services, including construction, renovation and consulting, at McMaster University using a process that is open, fair and transparent, and ensures that maximum value is achieved. This Policy is aligned to and compliant with the requirements of the Broader Public Sector Accountability Act (BPSAA), Canada Free Trade Agreement (CFTA), Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and Quebec Trade and Cooperative Agreement (OQTCA). Furthermore, this Policy is designed to ensure that procurement at the University is performed in a manner that is ethical, efficient and consistent. This policy applies to procurements made by any contractual means, including purchase, lease, and rental, with or without an option to buy. This also covers expenditures paid for with all types of University funds, regardless of the ultimate source of funding, including operating, research, ancillary, capital and trust.

Information found within this guide:

Strategic Procurement Policy SP-01

Procurement Thresholds for Goods & Services / Invitational Procurement (<\$100k)

Ontario Broader Public Sector Procurement Directive

Open/Public Competitive RFX Bid Process (\$100k+)

Trade Agreements | CFTA | CETA | OQTCA

Limited Tendering

MACBUY eProcurement System

Supplier ID Setup/Change in Mosaic

Customs and Traffic

Useful Links to Forms and Documents

## Procurement Thresholds

Goods & Non-Consulting	Purchase Method
\$0 – \$100,000	** MacBuy using supplier catalogues (punch-out / hosted)
\$0 – \$10,000	P-Card / Non-PO Voucher / PO with 1 written quote
\$10,001 – \$ 50,000	Minimum 2 written competitive quotes
\$50,001 – \$99,999	Minimum 3 written competitive quotes
\$100,000 or more	Open/public competitive RFX bid process
Consulting Services Purchase Method	
\$0 – \$99,999	Minimum 3 written competitive quotes or Open/public competitive RFX bid process
\$100,000 or more	Open/public competitive RFX bid process

\*\* All dollar amounts are exclusive of taxes and cover the total cost of the item (not broken down into annual amounts).

MacBuy purchases under \$100,000 can be made directly through the available punch-out or hosted supplier catalogues. No additional quotes are required in the MacBuy system.

For all non-catalogue MacBuy purchases under \$100,000, the applicable competitive method must be followed as per the Table.

## Ontario Broader Public Sector (BSP) Procurement Directive

The purpose of this Directive is to ensure that publicly funded goods and services, including construction, consulting services, and information technology are acquired by BPS organizations through a process that is open, fair, and transparent; to outline responsibilities of BPS organizations throughout each stage of the procurement process; and to ensure that procurement processes are managed consistently throughout the Open/Public Competitive RFX Bid Process (\$100k+).

## Open/Public Competitive RFX Bid Process (\$100k+)

**The Open/Public Competitive Request for “x” (e.g. Proposal or Quote) process typically takes 10-12 weeks, depending on the complexity of the project. Listed below are RFX-related terms you should be familiar with:**

**Notice of Procurement:** a notice posted in advance of one of the RFX methods listed below, advising of notice of intent to engage in an RFX process.

**Request for Quote (RFQ):** if you know your exact requirements, and ONLY need PRICING. e.g. you want a black chair two way adjustable, made of leather & steel casters.

**Request for Proposal (RFP):** if you want a SOLUTION, e.g. you want a chair that is comfortable, adjustable, ergonomically designed and suitable for individuals with specific mobility.

**Request for Supplier Qualification (RFSQ):** is a method used where the buyer requires supplier pre-qualification information before proceeding with a tender for the goods or services. The RFSQ is followed by an invitational tender to pre-qualified suppliers only. This approach is typically used for, but not limited to, facility-related construction or renovation needs.

Those engaging in an RFX process with Strategic Procurement now have the flexibility to have respondents submit their responses electronically and engage in a streamlined online evaluation process.

**An electronic submission process reduces the RFX posting time by 5 days.**

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## Trade Agreements | CFTA | CETA | OQTCA

### Canada-European Union Comprehensive Economic and Trade Agreement | CETA

The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) was entered into force on September 21, 2017. It was designed to create jobs, strengthen economic relations and boost Canada's trade with the world's second-largest market. CETA is a progressive free trade agreement which covers virtually all sectors and aspects of Canada-EU trade in order to eliminate or reduce barriers. For example, prior to CETA's entry into force, only 25 percent of EU tariff lines on Canadian goods were duty-free. With CETA, 98 percent of EU tariff lines are now duty-free for Canadian goods. Once CETA is fully implemented, the EU will have eliminated tariffs on 99 percent of its tariff lines.

### Canada Free Trade Agreement | CFTA

The Canada Free Trade Agreement has been in force since July 1, 2017. The objective of this agreement is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open, efficient, and stable domestic market.

#### How does CETA and CFTA affect what I purchase?

As per the applicable trade agreements, McMaster's procurement practices are based on a transparent and efficient framework that is fair and open to all Canadian suppliers. This includes the following policies and processes:



- Structuring a Request for Proposals/Quotes so that it does not favour a particular supplier or region.
- Assessing the total cost of ownership of a good/service/contract to ensure that it is not divided in a way that circumvents procurement thresholds; and
- Ensuring Limited Tendering (Sole/Single Sourcing) is used appropriately according to the applicable trade agreements.

# CFTA | CETA | BPS Thresholds to Consider When Posting Publicly

## CFTA

- **Goods and Services valued between \$100,000 and \$366,200 and Construction valued between \$100,000 (BPS) and \$9.1M** must be posted publicly per chart below. Although CFTA lists the current minimum threshold as \$107,700, McMaster is also subject to the Broader Public Sector (BPS) Procurement Directive which requires posting for a minimum threshold of \$100,000.

## CETA

- **Goods and Services with a total value of \$366,200 or greater and Construction with a total value of \$9.1M or greater** must be posted publicly for a **minimum of 40 days**, which can be reduced under the following conditions:
  - Notice of procurement: 5-day reduction / RfX solicitation document available to suppliers electronically: 5-day reduction

	Min. Thresholds for Public Posting			Min. Posting Period (days)		
	BPS Directive	CFTA	CETA	BPS Directive	CFTA	CETA
Goods	\$100,000	\$105,700	\$366,200	15 days (Standard)		40 days (Less conditions above)
Services	\$100,000	\$105,700	\$366,200			
Construction	\$100,000	\$264,200	\$9.1M	30 days (complex)		
Limited Tender (Sole / Single, ACAN)	Per above thresholds			Within 72 days after award		

## The Ontario – Quebec Trade and Cooperative Agreement (OQTCA)

This is a bi-lateral trade agreement between Ontario and Quebec and aligns with the CFTA. The open competitive bid thresholds under the OQTCA for goods, services and construction are the same as those stipulated by the Broader Public Sector Procurement Directive and the University Procurement Policy including construction. This threshold is set at \$100,000.

## Limited Tendering (Sole / Single Source) Procurement

- Any deviation of non-competitive requirements that were presented within the Procurement Thresholds **MUST** be supported by a duly approved Limited Tendering Approval Form.
- Under CETA, McMaster is required to report on each contract awarded under the Limited Tendering procedure. Strategic Procurement uses information contained within Mosaic / MACBUY to report on:
  - the value of the procurement;
  - the kind of goods and services procured; and
  - a statement indicating the circumstances and conditions under which you claimed the limited tendering exception (i.e. rationale).
- Please ensure your Limited Tender purchases identify the applicable Limited Tender Reason and are justified with detail as to why it wasn't procured using a competitive process.

For example:

- Why additional quotes weren't obtained?
- Why is it unique?
- What happens if you don't purchase?
- How it affects your research if you don't purchase? (if applicable)

Consulting Services - \$0 up to but not including \$1,000,000: President Approval required. \$1,000,000 or greater: President Signature and Board of Directors Approval required



**MacBuy is an eProcurement system** that offers staff and faculty an integrated (shopping cart) marketplace for purchasing activities, including automated payment processes and supplier portal. Once fully implemented MacBuy will replace Mosaic purchase requisitions.

One of the many advantages of ordering through MacBuy is you can purchase up to \$100,000 (before tax) with one quote from any of the showcase suppliers. When the invoice and the purchase order amount match, payment will be sent to the supplier by Accounts Payable.

A MacBuy Supplier is a supplier with whom Strategic Procurement has negotiated a contract that provides the University community maximum value including discounted pricing (e.g. guaranteed minimums, volume-based) plus other applicable benefits, through a competitive procurement process.

There are two types of suppliers on the MacBuy Showcase, punch-out and hosted. Catalogues featured by 'hosted' suppliers contain static pricing while punch-out supplier catalogues contain 'live' pricing. When purchasing from a punch-out supplier you are shopping directly in their site. Upon check out your purchase is brought back into MacBuy to complete the requisition.

Other entry options within MACBUY are Non-Catalogue Suppliers, Change Request and Limited Tendering:

- Non-Catalogue Supplier are those suppliers that are not loaded into MACBUY but still require payment, rules that guide Non-Catalogue Suppliers fall out of the MACBUY \$0 – \$100,000 threshold.
- Change Request are entries that are done to correct or add funds to already existing orders for all set options in MACBUY.
- Limited Tendering Form is the method selected when sole sourcing a purchase for a specific supplier see above.

To gain access to MACBUY a training session must be completed and is presently offered on-line, please contact the MacBuy helpdesk at: [macbuyhelp@mcmaster.ca](mailto:macbuyhelp@mcmaster.ca)

## Requesting a Supplier ID Setup/Change in Mosaic

Mosaic Breadcrumbs to locate the Supplier Setup/Change Form:

**Navigator – Finance – Purchasing – Requisitions – Supplier Setup/Change Request Form**

The Supplier Setup/Change Request Form is a fillable form, and the information you input into this form is populated into Mosaic & MACBUY. Please ensure the information provided is correct.

Once you have filled in all the required fields a "Submit" button will be available at the top of the request form. **IMPORTANT:** Please click the **Submit** button to have your request submitted. PLEASE Allow 24hrs for the supplier to appear within MACBUY after receiving an email from Procurement informing you your set-up is complete.

If the supplier is subject to Withholding, please input their SIN information in the "More Information" field at the bottom of the form.

Please allow 48 hours for your request to be reviewed by Strategic Procurement who will send you an email notification at that time (Note: The approval email notification does not mean that your supplier has been inputted into Mosaic, only that Strategic Procurement has approved your form and is working on the supplier setup). Once your request has been completed, Strategic Procurement will send you an email notification, which will include the Supplier ID No. for setup requests.

## Useful Links

### Strategic Procurement Policy SP-01

<https://financial-affairs.mcmaster.ca/resources/sp-01-strategic-procurement-policy/>

### Limited Tendering Approval Form – for Mosaic Requisition ONLY

<https://financial-affairs.mcmaster.ca/app/uploads/2020/03/Limited-Tendering-Form-SP.pdf>

### Resolution Respecting the Execution of Instruments

[https://financial-affairs.mcmaster.ca/app/uploads/2018/07/Execution-of-Instruments-Appendix-E-18\\_April\\_19.pdf](https://financial-affairs.mcmaster.ca/app/uploads/2018/07/Execution-of-Instruments-Appendix-E-18_April_19.pdf)

### Canadian Free Trade Agreement (CFTA)

<https://www.cfta-alec.ca/canadian-free-trade-agreement/>

### Canada- European Union Comprehensive Economic and Trade Agreement (CETA)

<http://www.international.gc.ca/gac-amc/campaign-campagne/ceta-aecq/index.aspx?lang=eng>

### Broader Public Sector (BPS) Procurement Directive

[http://www.f in.gov.on.ca/en/bpssupplychain/documents/bps\\_procurement\\_directive.html](http://www.f in.gov.on.ca/en/bpssupplychain/documents/bps_procurement_directive.html)

### Purchase Order Terms and Conditions

<https://financial-affairs.mcmaster.ca/resources/purchase-order-terms-conditions/>

### MACBUY Available Supplier Information

<https://financial-affairs.mcmaster.ca/services/procurement/buying-for-mcmaster/macbuy/#tab-content-suppliers>

### Commodities per Procurement Specialists

<https://financial-affairs.mcmaster.ca/services/procurement/buying-for-mcmaster/commodities-accordion/>

### Working from Home Supplies Covid 19 2020

<https://financial-affairs.mcmaster.ca/home-supplies-qt/>

### Personal Protective Supplies Covid 19 2020

<https://campusstore.mcmaster.ca/stores/>



### Customs and Traffic:

Ordering Outside of Canada on your P-card. Please remember if you are placing orders outside of Canada you MUST inform John Bentley, Customs and Traffic Officer ([customs@mcmaster.ca](mailto:customs@mcmaster.ca)) of your order.

John ensures that your shipment passes the border without issues. Please provide John with a complete Chart field string to charge the custom fees, and include an order confirmation, quote or invoice.