



## Medicine Hat College Policy PURCHASING

|                             |                                            |
|-----------------------------|--------------------------------------------|
| Policy #:                   | FN-02                                      |
| Policy Authority:           | Executive Director, Corporate Finance      |
| Executive Sponsor:          | Vice-President, Administration and Finance |
| Approved by:                | President and CEO                          |
| Effective Date:             | June 30, 2025                              |
| Next Mandatory Review Date: | August 24, 2025                            |
| Frequency of Review:        | Every 3 years                              |

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### 1. OBJECTIVE

This policy guides Medicine Hat College (MHC) in achieving maximum value for the purchase of goods and services, considering quantity, quality, and availability.

### 2. SCOPE

This policy governs the purchase and/or lease of goods and services and applies to all employees. The policy encompasses all purchases using operating, capital, endowment, contract, and research/grant funds unless specifically excluded.

### 3. DEFINITIONS

- **Buyer:** an employee or authorized representative that requests and orders good(s) and/or services(s) on behalf of MHC.
- **Competitive Bidding:** a procurement process where procurement needs, or intentions of an entity are posted on a public electronic bidding system and is open to all interested parties desiring to participate and respond. Competitive bidding may also be referred to as tendering and includes Request for Proposal (RFP) or Request for Quote (RFQ).
- **Contract:** a written or verbal agreement between two or more parties comprising of an offer, acceptance, and consideration.
- **Direct Award:** award of a contract to a supplier without engaging in the quoting or competitive bidding process.
- **Executive Officer:** any college employee holding one of the following titles: president or vice-president.
- **Prior Authorization:** can come in the form of a verbal authorization, in writing, or via email.
- **Purchase Order:** a document used to formalize and commit a purchasing transaction with a vendor.
- **Purchase Requisition:** an internal document used to request to purchase goods and services.

- **Quotation:** a written or verbal statement of price, terms of sale, and description of goods or services offered by a vendor to a purchaser.
- **Tender:** the process of collecting competitive bids for department needs through solicitation of tender bids, RFP, RFQ, and Request for Information to maximize the value received.

#### 4. PRINCIPLES

- 4.1 MHC is committed to a purchasing system that acquires goods and services in a timely manner, protects legal and financial interests of the college, projects a positive image of the college, and enhances community partnerships.
- 4.2 MHC purchases are made in accordance with all applicable laws and legislative guidelines.
- 4.3 Purchases are made with due consideration of quality, after-purchase service, value for dollar, impact on partnership, and opportunity for fair competition.
- 4.4 Purchases are made with prudent protection against conflict of interest, the highest standard of business ethics, and professional competence and courtesy.

#### 5. DIRECTIVES

- 5.1 All purchases made in the name of MHC are processed using the established purchasing methods in accordance with Policy 4.17 Signing Authority Policy and following the directives of this policy.
- 5.2 All purchases are subject to available budget funds and authority of the person to spend them.
- 5.3 All employees must obtain prior authorization to purchase goods and services on behalf of MHC. The signing authorities of the college have the responsibility to authorize purchases and to ensure that all purchases are consistent with this policy.
- 5.4 Bidders and vendors are informed that MHC is subject to the Freedom of Information and Privacy Protection Act (FOIP) which has implications for records created or obtained in the purchasing process.
- 5.5 In all purchasing situations where the lowest offer is not selected, the purchasing department is responsible for documenting the rationale for not accepting the lowest offer.
- 5.6 When proposed purchases, in excess of the price request thresholds stated in Appendix A require competitive bidding, they 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. The department requiring the competitive bid will prepare the appropriate documents and Financial Services will post them on the APC website.
- 5.7 Tenders or proposals for the ongoing supply of goods and/or services should be awarded for a maximum of a three-to-five-year fiscal period; tenders or proposals to be issued for more than five years must be approved by the President and CEO.

- 5.8 Financial Services is the custodian of all original proposals and contracts.
- 5.9 Where procurement responsibilities have been delegated to other MHC departments, buyers in those areas are responsible for the development, administration, and maintenance of the unique procedures necessary for carrying out the procurement process within their departments, and for maintaining proper documentation for audit review.
- 5.10 Facility Operations must review and endorse (via email) all furniture purchases prior to ordering, to ensure consistency, quality, and ease of cleaning.
- 5.11 All purchases of computer hardware, software and peripherals, including printers and copiers, must be approved by Information Technology Services (ITS) to ensure consistent specifications, quality and prices are viable prior to ordering. When the requirements are met ITS will complete the purchase.
- 5.12 Employees with a direct or indirect interest in a college supplier must refer to policy HR-10 Code of Conduct for the appropriate method of disclosure.
- 5.13 Emergency purchases can be authorized by an executive officer or designate. This allows for the immediate purchase of goods or services without recourse to this policy, should emergency situations such as, but not limited to the following occur:
- where employee, student, or public safety is in question,
  - prevention of damage to college property,
  - restoration of essential pieces of equipment to service, or
  - restoration of essential college services.
- In a case where the emergency purchase will be billed to the college, the person who initiates the order must forward the particulars to Financial Services.
- 5.14 Splitting purchase requisitions, purchase orders, or contracts to circumvent this policy is prohibited.
- 5.15 If an employee is using any form of affinity/loyalty card (i.e. AirMiles, Aeroplan, etc.) for college expenditures, it is the employee's responsibility to declare a taxable benefit upon receiving loyalty points. The college will not reimburse purchases when purchased using affinity/loyalty points.
- 5.16 Depending on the total value of the order (including all applicable taxes), one of the following purchasing methods must be used when purchasing goods and services:
- Petty Cash – refer to Policy 4.5
  - Purchasing Cards – refer to Policy 4.7
  - Purchase Orders – mandatory for items in excess of \$5,000, or if required by the vendor, for items less than \$5,000.
  - Travel and expense claims – refer to Policy 4.14
  - Charge accounts – up to \$5,000
  - Competitive Bidding
  - Direct Award
  - Contracts

## 6. RESPONSIBILITIES

6.1 **Financial Services** is responsible for the coordination and administration of this policy.

6.2 **Signing Authorities** are responsible for

- (a) ensuring the buyer has done their due diligence and the purchase complies with MHC policies;
- (b) providing authorization in accordance with the requirements of the policy; and
- (c) ensuring the purchase, in its entirety, meets the test of reasonability.

6.3 **The Buyer** is responsible for ensuring their purchase complies with this and all other related MHC policies.

## 7. RELATED POLICIES

FN-01: Travel and Expenses

HR-10: Code of Conduct

4.1: Partnerships with External Organizations

4.5: Petty Cash

4.7: Purchasing Cards

4.13: Hosting Expenses

4.17: Signing Authority and Limitations

## 8. RELATED PROCEDURES

PR-FN-02-01: Purchasing (under development – in the interim, contact Financial Services for assistance.)

## 9. RELATED INFORMATION

Appendix A: Price Request Schedule

***Original Copy Signed***

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Kevin Shufflebotham  
President and CEO

Date: June 30, 2025

***Original Copy Signed***

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Wayne Resch  
Vice-President, Administration and  
Finance

Date: June 30, 2025

## DOCUMENT HISTORY

August 24, 2022      Revised policy approved  
June 2025:            Administrative update approved