

Important Changes to Nipissing University's Procurement and Expense Policies

The Management Board of Cabinet recently issued Procurement and Expense Directives in response to Bill 122 that was passed by the Ontario Government in December 2010. The Directives, which became effective April 1, 2011, are applicable to all designated broader public sector organizations as provided for under section 12 of the Broader Public Sector Accountability Act, 2010. As long as Universities are actively working towards implementation of the Directives, they are considered to be compliant by the Ministry of Training and Colleges. It is expected that Universities will need to attest compliance by spring of 2012. The purpose of the Directives is to increase accountability in the broader public sector and ensure that publicly funded goods and services are acquired through a process that is open, fair and transparent. As a result of these Directives, Nipissing University is required to make changes to existing procurement, travel and expense reimbursement policies. We are working on refining our existing policies to ensure that the necessary changes are reflected and will advise when updated. The following is a list of key policy changes that become effective immediately:

1. Per Diem Allowance

- Per Diems are no longer permitted under the Expense Directive
- Meal expenses will now be reimbursed based on actual expenses incurred, supported by original, itemized receipts, up to a maximum of \$43 CAD per day (including taxes and gratuities) for travel within North America (a maximum of \$50 CAD per day for international travel)
- The international maximum reimbursement rate of \$50 CAD per day is being reviewed in comparison with practices of other Universities in the system
- The daily maximum rate for reimbursement is allocated between individual meals for partial days of travel and/or when meals are included with conference fees: Breakfast \$7; Lunch \$11; Dinner \$25

2. Alcohol Expenses as Part of Travel/Meal Expense Claim

- To be determined in discussions with other Universities in the system

3. Expenses Reimbursed to Consultants and Other Contractors

- In NO circumstances can hospitality, incidental or food expenses be considered allowable expenses for reimbursement to consultants and contractors under the rules or in any contract between Nipissing University and a consultant or contractor.
- Consultants/contractors cannot claim or be reimbursed for such expenses, including:
 - i. Meals, snacks and beverages
 - ii. Gratuities
 - iii. Laundry or dry cleaning
 - iv. Valet Services
 - v. Personal telephone calls

- Reimbursement for allowable expenses can be claimed and reimbursed only when the contract between Nipissing University and the consultant/contractor specifically provides for it.

4. Hospitality

- Hospitality is the provision of food, beverage, accommodation, transportation and other amenities to people who are NOT engaged to work for:
 - i. Nipissing University, or
 - ii. Any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive
- Hospitality may be extended in an economical and consistent manner when:
 - i. it can facilitate University business; and
 - ii. it is considered desirable as a matter of courtesy or protocol.
- Reimbursement for hospitality provided by senior members of the University while traveling will be based on reasonable, actual costs and will be reimbursed when supported by original receipts and a fully documented explanation. The information provided should include the purpose of the meal or business entertainment, the name(s) of the individual (s) in attendance, and a detailed, itemized receipt showing breakdown of food, alcohol, and taxes. Approval for hospitality while traveling should be approved in advance by the appropriate Dean, Executive Director, Vice President or President.
- Please refer to the existing Food and Beverage Policy for additional guidance

5. Competitive Procurement for Consulting Services

- 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 spending outlay (excluding taxes) over the life of the commitment.
- Competition **must** be obtained for consulting services regardless of the value as set out in the Table 1 below.
- **“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
- **“Consulting Services”** means the provision of expertise or strategic advice that is presented for consideration and decision-making
- A person or entity retained under a fee-for-service arrangement, that is not an employment agreement, to perform specific tasks under the University’s direction for a limited period of time is not considered a consultant for the purposes of the procurement policy

- The differentiating factor between consulting and non-consulting services is whether the service is strategic or tactical in nature
- Some examples of consulting vs. non consulting services:
 - i. Communications
 - Consulting services: provision of a strategy and advice in conveying information through various channels and media
 - Non-consulting services: brochure printing and mailing
 - ii. Professional Services
 - Consulting services: an architect engaged to develop a ten year strategy
 - Non-consulting services: an architect engaged to design a specific building
- Any questions regarding the classification of services should be directed to the University's Procurement Department prior to making a purchase

Table 1 – Procurement Process for Consulting Services

Value per Commitment	Minimum number of competitive quote required	Process
Consulting services from \$0 to \$25,000	Invitational open competitive. Minimum 3 suppliers are invited to provide a quote	<ul style="list-style-type: none"> • Purchasing Services is to be contacted to assist in the process • Minimum 3 suppliers invited to provide a quote • Quotes are evaluated based on predetermined criteria • Department to complete purchase requisition • Purchasing Services to issue purchase order
Consulting services from \$25,001 to \$50,000	Issuance of a Request for Proposal (RFP)	<ul style="list-style-type: none"> • Purchasing Services will manage the acquisition process • Department must complete purchase requisition and provide complete functional specifications • Purchasing Services to issue purchase order
Consulting services >\$50,000	Formal public process is required by issuance of an RFP and posting on MERX	<ul style="list-style-type: none"> • Contact Purchasing Services to initiate the process • Department must complete purchase requisition and provide complete functional specifications • Purchasing Services to issue purchase order