The UNIVERSITY *of* WESTERN ONTARIO

POLICIES *and* PROCEDURES

2.8 PROCUREMENT OF MATERIALS AND SERVICES

Policy Category: Financial

Subject: Procurement of Materials and Services

Approving Authority: Board of Governors

Responsible Officer: Vice-President (Resources & Operations)

Responsible Office: Financial Services

Related University Policies:

Policy 1.25 http://www.uwo.ca/univsec/mapp/section1/mapp125.pdf

Policy 2.6 http://www.uwo.ca/univsec/mapp/section2/mapp26.pdf

Policy 2.12 http://www.uwo.ca/univsec/mapp/section2/mapp212.pdf

Policy 2.15 http://www.uwo.ca/univsec/mapp/section2/mapp215.pdf

Policy 2.23 http://www.uwo.ca/univsec/mapp/section2/mapp223.pdf

Policy 3.4 http://www.uwo.ca/univsec/mapp/section3/mapp34.pdf

Special Resolution 2 http://www.uwo.ca/univsec/board/spres2.pdf

Related Procedures: Link to procedures document to be added

Effective Date: April 30, 2009

Revised: September 30, 2011

I. PURPOSE

The purpose of the Procurement Services Policy is to define:

- the responsibilities and accountability associated with the acquisition of goods and services, whether by purchase, rental or lease, related to the constituent University
- the limits of authority
- the guidelines that will maximize value-for money
- a system for accountability

Those responsible for procurement of goods and services will have regard for the development of an environmental sustainable campus while complying with University policies, financial controls and provisions with respect to conflict of interest.

II. DEFINITIONS

Approval Authority: the authority delegated by the University to an individual to approve, on its behalf, one or more procurement functions within the procure-to-pay-cycle up to specified dollar limits subject to the application of legislation, regulations and procedures in effect at such time.

Competitive Procurement: a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.
Consultant: a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision making.

Consulting Services: the provision of expertise or strategic advice that is presented for consideration and decision making.

Employee: typically on payroll, with deductions made at the source. An individual may be hired on a full-time or part-time, temporary or permanent basis. The University maintains the right of direction and control over the employee's actions, has the power to dismiss the individual, and provides the tools and equipment for the job.

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

Non-Consulting Service Provider (NCSP): an individual/company who contracts to provide services, other than consulting services to another individual or business. Examples may include "consultants" such as property brokers, head hunters or trainers.

III. POLICY

1.00 The responsibility for the identification of needs and specifications is the responsibility of the User Department.

2.00 Except as otherwise specifically delegated by the Board of Governors or the President, all acquisitions for the University of materials and services from all sources of revenue (i.e. general operating budget, ancillary operations, research funds, capital funds and other monies held in trust for special purposes) shall be the responsibility of Procurement Services.

Exclusions are:

a) Contracts for construction (new buildings, additions, or major alterations or renovations). Refer to **Policy 2.15.**

b) Contracts for the acquisition or lease of land or buildings. Refer to **Policy 1.25** and **Policy 2.15.**

c) Personnel services (i.e., benefits, wage and salary administration, and occupational health and safety). Refer to **Policy 2.23**.

d) Investment services, including Pension Board and Treasury. Refer to **Policy 2.12**, **Policy 2.23** and Special Resolutions 1-J and 1-K.

e) Insurance. Refer to **Policy 2.23**.

f) Legal Services. Refer to **Policy 2.6**.

3.00 Procurement Services, in discharging its responsibilities, shall have the final decision in the selection of the supplier and establishing the price, terms, and conditions of purchase.

4.00 Procurement Services will work co-operatively with the University Development Office when suppliers or potential suppliers to the University are to be solicited for donations. However, in no case, shall donations or other gifts given in the past, present, or offered in the future be considered a factor in a purchase decision with the exception of in-kind contributions and partnerships associated with granting agency funded research purchases.

5.00 Procurement Services may delegate its operational responsibilities to other groups in specific instances while retaining functional authority.

6.00 Procurement Services will strive to provide suppliers opportunities to bid on University business in a fair, open and competitive process. This will be achieved by the use of informal, formal and sealed bids. Competitive bids will be solicited in accordance with the Procurement Directives as set out by the Broader Public Sector Accountability Act, 2010 and processes as outlined in the Policy 2.8 Procedures document.

7.00 Under no circumstances will the University entertain purchasing goods for subsequent sale to individuals for personal consumption or utilization except through its normal retail operations.

EXPENDITURE AUTHORITIES

8.00 The President, Vice-Presidents, Associate Vice-Presidents, Vice-Provosts, Deans, Budget Unit Heads and Principal Investigators are authorized to sign/approve purchase requisitions without limit for their respective areas of responsibility when the expenditure is provided for in approved budgets, with such purchases to be effected by Procurement Services in accordance with approved policies and procedures. The above officers may delegate their authority to sign purchase requisitions for goods, services and recoverable salaries and benefits. Such delegations, including specified limits, must be given in writing to Procurement Services.

9.00 The following have the authority to commit the University to the expenditure of funds for any one transaction up to the limits specified below through the execution of Purchase Orders, contracts and agreements (i.e. service, licensing and maintenance agreements/warranties, and non-consulting services) to:

(a)	President	$1,500,000*
(b)	Vice-President (Research & International Relations) for research funded acquisitions	$1,500,000
(c)	Vice-President (Resources & Operations) or, in the absence of, the Vice-President (Academic)	$1,500,000
(d)	Associate Vice-President (Financial Services) or the Associate Vice-President (Institutional Planning & Budgeting)	$750,000
(e)	Director of Procurement Services	$500,000
(f)	Procurement Services Managers	$250,000
(g)	Senior Buyers	$125,000
(h)	Buyers	$25,000

(i)	Local Business Unit Authorized Personnel	$5,000

*The President also has authority to sign purchase orders, contracts and agreements for expenditures over $1,500,000 for research equipment if the expenditure falls within the constraints set out in Special Resolution No. 2, section 5.

Notification will be given to the Associate Vice-President (Financial Services) and the Director of Procurement Services for contracts whose life-time total value exceeds the above limits but where individual transactions within the contract fall within the above limits and in section 10.00.

10.00 The Director of Procurement Services hereby delegates authority to commit the University to the expenditure of funds for any one transaction up to the limits specified below and in respect to operational responsibilities delegated to them, through the execution of purchase orders, contracts and agreements as follows:

(a)	Director, University Book Store & Graphic Services or Associate Vice-President (Housing & Ancillary Services)	$250,000
(b)	University Librarian or designate	$250,000
(c)	Director, Hospitality Services or Associate Vice-President (Housing & Ancillary Services)	$250,000
(d)	Managers of licensed University liquor outlets or Associate Vice-President (Housing & Ancillary Services)	$25,000
(e)	Local business unit authorized personnel	$5,000

11.00 The tendering and purchase of utilities (electricity, natural gas, and water) is administered by Facilities Management with the support of Procurement Services. Contracting for electricity and natural gas will occur using a competitive bidding and review process. The authority to sign contracts with suppliers is as follows:

(a)	Associate Vice-President (Facilities Management Capital Planning Services)	$1,000,000
(b)	Vice-President (Resources & Operations) over or designate or President	$1,000,000

RELATED DOCUMENTS AND OTHER RESOURCES

BPS Procurement Directive
http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps_procurement_directive.html