

POLICY 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 (Operations & Finance)

Responsible Office: Financial Services

Related Procedures: [Procedures Related to the Procurement of Materials and Services](#)

Related University Policies:

Policy 1.25 [Lease of University Facilities for Long-Term Use](#)

Policy 2.6 [Retention of Legal Counsel](#)

Policy 2.12 [Acquisition of Investment Services](#)

Policy 2.15 [Approval of Capital Projects](#)

Policy 2.23 [Contracting of Brokers and Consultants](#)

Policy 3.4 [Conflicts of Interest](#)

Spec. Res. 2 [Delegation of Authority](#)

Effective Date: June 21, 2018

Supersedes: November 24, 2011; April 30, 2009

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.

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This policy, and all goods and services procured on behalf of the University, must be in accordance with all applicable domestic and international trade agreements and federal and provincial legislation.

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.

Procurement Value: the estimated total financial commitment resulting from procurement, taking into account optional extensions.

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](#).

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- 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, up to a maximum of \$500,000, 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 all applicable domestic and international trade agreements, federal and provincial legislation 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 approve purchase requisitions for goods, services and recoverable salaries and benefits. Such delegations, including specified limits, must be provided to Procurement Services in writing.
- 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, taking into account optional extensions, through the execution of Purchase Orders, contracts and agreements (i.e. service, licensing and maintenance agreements/warranties, and non-consulting services) to:
- (a) Property and Finance Committee \$7,500,000
 - (b) President* or Vice-President (Operations & Finance), \$2,500,000
Vice-President (Research) for research funded acquisitions,
or, in the absence of, the Vice-President (Academic)

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(c)	Associate Vice-President (Financial Services) or the Associate Vice-President (Institutional Planning & Budgeting)	\$1,500,000
(d)	Director, Procurement Services	\$1,000,000
(e)	Associate Director, Procurement Services or Procurement Manager	\$500,000
(f)	Procurement & Contract Specialists	\$250,000
(g)	Procurement Buyers	\$50,000
(h)	Local Business Unit Authorized Personnel	\$10,000

*The President also has authority to sign purchase orders, contracts and agreements for expenditures over \$5,000,000 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, 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 Ongoing expenses for purchases that have already been approved during Western's regular budget approval process (e.g. insurance, library expenses) can be approved by the Vice President, Operations & Finance or the Associate Vice-President, Financial Services.

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) and Director, Procurement Services	\$4,000,000
(b)	Vice-President (Operations & Finance) or designate or President	over \$4,000,000

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RELATED DOCUMENTS AND OTHER RESOURCES

Accessibility for Ontarians with Disabilities Act (AODA)

<https://www.ontario.ca/laws/statute/05a11>

Broader Public Sector (BPS) Accountability Act

<https://www.ontario.ca/page/broader-public-sector-accountability>

Broader Public Sector (BPS) Procurement Directive

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

Canada-European Union Comprehensive Economic and Trade Agreement

<http://www.international.gc.ca/gac-amc/assets/pdfs/publications/European-Union-Government-Procurement-Guide-ENG.pdf>

Canadian Free Trade Agreement

<https://www.cfta-alec.ca/>

Third Party Service Risk Assessment

https://security.uwo.ca/information_governance/risk_management/third_party_service_risk_assessment/index.html