

Paperless Order Contract

Effective Date:	June 2, 1993
Cancels:	June 2, 1993
Dated:	November 1, 1994
Signature/Position:	Assistant Vice-President Finance
Policy Ref:	FI 18.0 FP 2.3.00

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SUBJECT

Paperless Order Contract

GENERAL

In order to reduce paperwork and simplify the ordering and payment procedures, "Paperless Order Contracts" have been established as an alternate purchasing method to replace the standard purchase order process. This method is used only when ordering specific goods and/or services from Suppliers predetermined by the Purchasing Services. These Suppliers will be selected following an analysis of University purchasing activity/trends, Supplier negotiations and price determination. The responsibility for most of the paperwork is placed with the Supplier.

Each "Paperless Order Contract" may have a slightly different set of detailed operating instructions which will be provided to users. Features common to each Contract are:

- The Requisitioning department's authority to place all orders by telephone, using departmental General Ledger Accounting Code Number as the order number.
- The Supplier's responsibility to supply goods and/or services at predetermined prices and to provide a simplified, consolidated billing statement.

INTENT

To establish the responsibility and procedures whereby departments may utilize the Paperless Order Contract routine when purchasing specific goods and/or services.

SCOPE

This procedure will apply to all funds administered by the University allocated for the purchase, rental and/or maintenance of predetermined goods or services made available through the Paperless Order Contract method of procurement.

RESPONSIBILITY

1. The University of Guelph Purchasing Services:

- 1.1. Analysis of current buying trends; review specifications; commodity and supplier selection; negotiate prices, contractual terms and conditions method of shipping and sales tax application.
- 1.2. Provide Requisitioning departments with current and updated catalogues, price lists and operating instructions.
- 1.3. Review Supplier performance.
- 1.4. Review the price accuracy of Supplier invoices and forward to Accounts Payable for payment.
- 1.5. Provide assistance to departments and Supplier and upon request, mediate any concerns or issues on behalf of the Requisitioner and/or Supplier.

2. The University of Guelph Requisitioning Department:

- 2.1. Ensure sufficient funds are available to meet the payment of the transaction.
- 2.2. Place releases direct to the Supplier as and when required.
- 2.3. Provide the Supplier with the following information to complete the Release transaction:
 - University of Guelph Customer Number, (if required this number will be shown in the specific Paperless Order Contract agreement).
 - General Ledger Accounting Code Number will be your Release number for charge and sales tax allocation.
 - Release numbers (General Ledger Accounting Code Number) MUST contain a total of 26 digits as follows:

Fund	-	Unit	-	Grant	-	Project	-	Object
(3)		(6)		(6)		(6)		(5)

- The numbers may be repetitive from release to release as they are actual General Ledger Accounting Code Numbers allocated to various departments, grants and/or projects.
- The maximum dollar value per release will be restricted to the limit outlined in each Contract.
- Requisitioner's and Department name.
- Telephone number and extension.
- Delivery address (building, department and room number).
- Quantity in order units.
- Catalogue number.
- Material description.
- Date that delivery is required.

- 2.4. Upon receipt of goods and/or service, sign all copies of Supplier's delivery/packing slip and/or carrier's bill of lading with legible signature.
- 2.5. Ensure the accuracy of the Supplier's shipment(s) and communicate to the Supplier any discrepancies. Make arrangements for the return of any goods ordered or shipped in error, found to be defective, requiring repair, replacement or cancellation.
 - 2.5.1 Where the Supplier is in error, the Supplier will assume liability for the return of goods, the replacement or the forthcoming credit invoice and verification on the next Tally Sheet.
 - 2.5.2 Where the Requisitioner is in error, the Requisitioner will obtain authorization to return the goods from the Supplier and assume liability for the return. The Supplier will upon receipt of the goods, issue a replacement or the forthcoming credit invoice and verification on the next Tally Sheet.
 - 2.5.3 Where the Requisitioner is in error, the Requisitioner will obtain authorization to return the goods from the Supplier and assume liability for the return. The Supplier will upon receipt of the goods, issue a replacement or the forthcoming credit invoice and verification on the next Tally Sheet.
 - 2.5.4 Customs Officer at (519) 824-4120, x52541 must be notified if the return consignment includes Dangerous Goods.
- 2.6. Retain copy of receiving documents for verification, audit of receipt of goods and reference purposes.

3. Supplier:

- 3.1. Provide Purchasing Services with current and updated Supplier Catalogues and/or Price Lists for distribution to the requisitioning departments.
- 3.2. Prepare the release information on Supplier's form(s) and number each release using the General Ledger Accounting Code Number supplied by the Requisitioner.
- 3.3. Package and document each release separately and ship as directed by the Contract to the location provided by the Requisitioner.
- 3.4. Foreign Suppliers will prepare all domestic and Canadian customs documentation as directed by the Contract.
- 3.5. Apply the appropriate Goods and Services Tax and Provincial Sales Taxes as directed in the Contractual Agreement.
- 3.6. Deliver the goods/services within the established period of time mutually agreed on at the time of release and/or as guaranteed within the Contract.
- 3.7. Advise the requisitioner regarding non-availability or substitution of goods to determine if:
 - Quantity required is to be cancelled.
 - Quantity required may be back ordered.
 - Item substitution is acceptable.

- 3.8. Consolidate and summarize the billing of all releases and provide invoices, a Tally Sheet for the period established in the Contract and forward to the University of Guelph, Purchasing Services.
- 3.9. Supply Purchasing Services with Usage Reports.
- 3.10. Retain all release, shipping and invoicing records on file for audit by Purchasing Services.

4. The University of Guelph Accounts Payable:

- 4.1. Receive from Purchasing Services, the consolidated Tally Sheet(s) and Supplier invoices.
- 4.2. Pay for all goods and/or services received and charge through the Financial Reporting System (FRS) to the Account Code as indicated.
- 4.3. Self-assess Provincial Sales Tax on taxable goods purchased outside the Province of Ontario, as directed by the Purchasing Services, Procurement and Contracting Officer.
- 4.4. Return copies of consolidated Tally Sheet(s) and original copy of Supplier invoices to Purchasing Services for filing and future reference.