

## Systems Contract Purchasing

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### Table of Contents

SUBJECT	1
INTENT	1
SCOPE	1
RESPONSIBILITIES	1
PROCEDURE	2
1. Forms	2
2. Requisitioning Department	2
3. Purchasing Services' Responsibility	3
4. Supplier's Responsibility	3
5. Accounts Payable Department Responsibility	3
6. Requisitioner's Responsibility	4
7. Back Order or Substitution	4
FORMS	4

#### **SUBJECT**

Systems Contract Purchasing

#### **INTENT**

To simplify the ordering cycle of repetitive purchases of operating supplies and apparatus, by catalogue purchasing directly by the requisitioner.

#### **SCOPE**

This procedure encompasses all departments but limits the system to purchases from suppliers specifically approved by Purchasing Services for system contracting. The maximum dollar value of each unit will be restricted to the limit outlined in each contract.

#### **RESPONSIBILITIES**

Purchasing Services will be responsible for all price and term negotiations with the supplier, and will maintain the catalogue pricing update and control.

## **PROCEDURE**

### **1. Forms**

- 1.1. The Systems Contract Requisition is a one part form (Forms Section).
- 1.2. The Tally Sheet (Forms Section) is a summary sheet(s) submitted to the University Purchasing Services department by the supplier which identifies each system contract requisition processed during the preceding delivery cycle. Supporting invoices are to be attached for auditing purposes.

### **2. Requisitioning Department**

- 2.1. Requisition only those quantities of catalogue items to satisfy immediate requirements.
- 2.2. Any catalogued item with a unit value in excess of the maximum unit dollar limit established for each contract, requires the standard requisition form for purchasing through Purchasing Services (Ref. Requisition, Receiving and Paying for Goods and Services, Operating Fund Procedure - FP 2.3.00).
- 2.3. Complete the Systems Contract requisition clearly and legibly showing:
  - coding for charge allocation
  - requisitioned and authorized approval by, and date
  - department name
  - telephone number and extension
  - delivery to (exact location, room and building)
  - quantity in order units
  - catalogue number
  - material description
- 2.4. Ensure that signed authorized approval and date of approval is obtained on all systems contract requisitions prior to release to the supplier.
- 2.5. The systems contract requisition is sent via Facsimile to the supplier. The original systems contract requisition is to be retained by the initiating department as a record of the requested purchase.
- 2.6. When wrong material or incorrect quantities are received due to a supplier's error, the requisitioner will notify the supplier of error by telephone with the request to have the correction(s) made at the supplier's expense.

**NOTE:** The supplier or representative is responsible for such deliveries or exchanges. No paper work is involved.

- 2.7. When wrong materials or incorrect quantities are received due to an incorrect catalogue or quantity information given on the requisition, the requisitioner will notify the supplier by telephone and arrange the return of the wrong material or correction of quantities received.

**NOTE:** The supplier or representative is responsible for such returns and the supplier shall:

- Arrange for pick up of incorrect material.
- Prepare and issue a credit invoice.
- Ship replacement material, if applicable.
- Prepare and issue invoice for replacement material.

### **3. Purchasing Services' Responsibility**

- 3.1. Selection of Suppliers and issuing of the Systems Contract.
- 3.2. Negotiation of items, unit prices, terms & conditions which will apply prior to the implementation of the contract and the approval of additions to and deletions from the supplier's catalogue for the duration of the contract.
- 3.3. Ensuring that all catalogue and price book changes, additions and deletions are made known to Accounts Payable and user departments. (Catalogue prices will be firm for a negotiated period with price changes effective thirty days following receipt of notification of change(s)).
- 3.4. Investigation and auditing of supplier pricing where items are greater than \$1,000, and monitor supplier performance.
- 3.5. Forwarding all audited tally sheets and support invoices to Accounts Payable for payment.

### **4. Supplier's Responsibility**

- 4.1. Package the materials separately for each requisition.
- 4.2. Affix on the outside of the package, a priced packing slip or a packing slip and a copy of the invoice.
- 4.3. Pricing on the invoice must include the unit price and extension based on the price information shown in the price catalogue.
- 4.4. Calculate appropriate sales tax according to the sales tax application and show separately on the invoice.
- 4.5. Deliver the goods within the established delivery time frame.
- 4.6. The requisition received by the supplier is retained as a record of the transaction.
- 4.7. The "Tally Sheet," consecutively numbered, with copies of invoices attached, and a corresponding diskette containing the tally sheet information, in a format suitable to the University, must be submitted monthly to Purchasing Services for auditing and forwarding to Accounts Payable for payment.
- 4.8. Distribution of all catalogue and price book changes, additions and deletions prior to implementation.

### **5. Accounts Payable Department Responsibility**

- 5.1. Check for Accuracy:
  - The total dollars and lines of input compared to disk upload information.
  - Spot check individual invoices requiring further action (coding adjustments, for example).
- 5.2. Charge requisitioning department(s) with the value of the goods that they have received during that period.
- 5.3. Process Tally Sheet(s) for payment.

## 6. Requisitioner's Responsibility

6.1. To notify both the supplier and Purchasing Services where pricing is not in accordance with the contract.

## 7. Back Order or Substitution

7.1. The supplier will telephone the requisitioner to determine if:

- Quantity which is not available can be cancelled and re-requisitioned at a later date.
  - change the quantity ordered on the requisition indicating the authority for change and consider the requisition complete.
- Quantity that is required is to be back ordered.
  - ship the back ordered quantity when available and invoice accordingly.
- Substitution is acceptable.
  - change the catalogue number and description, indicate the authority for indicate the authority for substitution, ship and consider the requisition complete.

## FORMS

- Systems Contract Requisition (Form Sample)
- Tally Sheet Supplier's Reference # (Forms Section)