In terms of the expense rules for suppliers, it might have the opposite effect to the goal of controlling cost because suppliers will quote higher now due to the fact that they will not be paid for some of the expenses. How to handle that?

The fact some of the expenses will no longer be paid for by the University does not necessarily justify the suppliers to raise their cost to us. We should do our diligence to ensure suppliers we award our contracts to are not taking this opportunity to raise their cost without justification.

For allowable expenses, we need to plan ahead at the time of procurement planning and contract establishment. Doing so will help us to make these costs visible, budgeted for and under control.

Category:

- Procurement/Payables [1]

Source URL:https://www.uoguelph.ca/finance/terms-expense-rules-suppliers-it-might-have-opposite-effect-goal-controlling-cost-because-suppliers

Links
[1] https://www.uoguelph.ca/finance/taxonomy/term/107