# Purchasing Policy and Procedures

The Purchasing Policy [1] provides the framework, general principles and overall guidance for sourcing and purchasing goods and services.

## Purchasing Authority

All purchases must be authorized and approved by the appropriate authority as defined by the General Policy - Delegation of Authority for Commitment of University Funds Upon Budget Allocation [2] and the Signing Authority Register.

## Segregation of Duties

In general, 3 of the 5 purchasing functions below should be completed by different people for each purchase.

| Role | Activity | Responsible Person |
|---|---|---|
| Requisition | Authorize the budget unit to place an order | Department budget authority, research principle investigator or authorized delegate |
| Budget | Ensure that funding is available to cover the cost of the order | Department budget authority, research principle investigator or authorized delegate |
| Commitment | Authorize the release of the order to the supplier under agreed terms | Buyer in department or Purchaing Services |
| Receipt | Receive the order physically and verify the order is correct and complete | Department individual receiving the goods or confirming services have been provided |
| Payment | Approve invoices and authorize release of payment to the supplier | Departmental budget authority, Payment Services staff and University signing officers |

## Thresholds, Sourcing and Contracting Requirements

Purchases must be compliant with the following sourcing and contracting requirements specified below.

### 1. Goods and Non-Consulting Services

| Total Procurement Value (CAD) | Sourcing Requirements | Placing the Order |
|---|---|---|
| $0 to $25,000 | 1 quote | One of the following: <ul><li>Order from pre-negotiated University direct billed contracts with GL codes</li><li>Order with Procurement Card issued by the University (PCard)</li><li>Low value purchase order issued by department financial administrators under $5,000</li><li>High Value purchase order</li></ul> |

| | | |
|---|---|---|
| | | issued by Purchasing Services over $5,000 |
| $25,000 to $75,000 | Minimum of 2 written quotes | One of the following:<br><br>• Order from pre-negotiated University direct billed contracts with GL codes<br>• Purchase order issued by Purchasing Services (HVPO) |
| $75,000 to $121,000 | Minimum of 3 written quotes | One of the following:<br><br>• Order from pre-negotiated University direct billed contracts with GL codes<br>• Purchase order issued by Purchasing Services (HVPO) |
| Over $121,000 | Open competitive procurement run by Purchasing Services | Purchase order issued by Purchasing Services (HVPO) |

A: Sole Source / Single Source purchases can be made only when supported by a documented exemption as stated in the applicable trade treaties.

**2. Consulting Services**

| Total Procurement Value (CAD) | Sourcing Requirements | Placing the Order |
|---|---|---|
| $0 to $25,000 | Minimum of 2 written quotes (invitational competitive procurement) [B] | Low value purchase order issued by department financial administrators under $5,000<br><br>High value purchase order issued by Purchasing Services over $5,000 |
| $25,000 to $121,000 | Minimum of 3 written quotes (invitational competitive procurement) [B] | High value purchase order issued by Purchasing Services |
| Over $121,000 | Open competitive procurement run by Purchasing Services [B] | High value purchase order issued by Purchaing Services |

B: Sole Source / Single Source purchases of consulting services below $1,000,000 require approval of the President; over $1,000,000 requires approval of the Board of Governors.

**3. Special Commodities**

• Denatured Alcohol
• Radioactive Materials
• Live Animals-Vertebrates
• Biological Hazardous Materials
• Hazardous Materials)

| Total Procurement Value (CAD) | Sourcing Requirements (How to Select Supplier) | Contracting Requirements (How to Place Order) |
|---|---|---|
| $0 to $25,000 | 1 quote | Purchase order issued by Purchasing Services (HVPO |
| Over $25,000 | Same requirements as for Goods and Non-Consulting Services | Same requirements as for Goods and Non-Consulting Services |

**Source**
**URL:**https://www.uoguelph.ca/finance/departments-services/procurement-and-payables/getting-started-procurement/purchasing-policy-and

**Links**
[1] https://www.uoguelph.ca/finance/policies-procedures/procurement-payables-policies/purchasing-policy [2] https://www.uoguelph.ca/finance/node/2195