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## Consulting vs Non-Consulting Services

As required by BPS Procurement Directive, organizations must procure consulting services competitively regardless of the dollar value.

Non-competitive procurement of consulting services is allowed only in circumstances outlined in the applicable trade agreements. Please refer to [Non-Competitive Procurement Provisions](#) [1] for these allowable circumstances.

Consulting services procured non-competitively must be approved by the President if the total procurement is between \$0 and \$1,000,000, and by the Board of Governors if the total procurement is \$1,000,000 or more.

### Definition of Consulting from BPS Procurement Directive

**Consultant** means 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** means the provision of expertise or strategic advice that is presented for consideration and decision-making.

A Non-consulting Service Provider is an individual or a 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.

### Determining Consulting vs Non-Consulting Services

When determining whether a service is consulting or non-consulting, the differentiating factor is whether the services involve thinking, and whether the services are strategic versus tactical in nature.

An individual or organization is considered a "consultant" if they provide the following services:

- Management Consulting (i.e. helping improve performance, primarily through the analysis of existing problems and development of plans for improvement. This includes organizational change management assistance and strategy development);
- Information Technology Consulting (i.e. advisory services that help clients assess different technology strategies, including aligning their technology strategy with their business or process strategy);
- Technical Consulting (i.e. strategic advice related to actuarial science, appraisal, community planning, employment placement, engineering, health sciences, interior design, realty, social sciences);
- Policy Consulting (i.e. the provision of advisory services to provide policy options, analysis and evaluation);
- Communication Consulting (i.e. the provision of strategy and advice in conveying information through various channels and media).

The following are some examples showing the differences between consulting and non-consulting services:

- Professional services
  - Consulting: an architect is engaged to develop a ten year strategy
  - Non-Consulting: an architect is engaged to design a specific building

- IT
  - Consulting: an organization is engaged to develop an IT strategy
  - Non-Consulting: an individual is engaged to create a database that will support an IT implementation
- Operations
  - Consulting: an individual or organization is engaged to assess operational performance
  - Non-Consulting: an individual or organization is engaged to implement process improvements on specific operational processes
- Communications
  - Consulting: an individual or organization is engaged to develop a communication strategy
  - Non-Consulting: an individual or organization is engaged to design a newsletter
- Executive Management
  - Consulting: an individual is engaged to advise the executive team on communicating to the media
  - Non-Consulting: an individual is engaged to facilitate executive team building sessions
- Training
  - Consulting: an individual is engaged to develop a training plan for the organization
  - Non-Consulting: an individual is engaged to develop and deliver a specific training program
- Employment
  - Consulting: an individual is engaged on retainer to provide ongoing expertise to the organization
  - Non-Consulting: a contract specialist is engaged on a temporary basis to manage a specific RFP but is not on the payroll
  - Employee: an individual is hired on a full or part-time temporary basis and is on the payroll

## Accountability and Procedures of Procuring Consulting Services

Prior to the commencement of the services, the requestor from the department is responsible to determine if the service being procured is consulting or non-consulting service. If it is consulting service, the requestor shall follow a competitive procurement process to award the contract regardless of the dollar value.

Prior to the award of a contract and commencement of services, the requestor must obtain approval in accordance with the Procurement Approval Authority Schedule for Consulting Services in the University's Purchasing Policy.

In cases where a department needs to procure services using non-competitive procurement provisions, and the services being procured could be viewed as possibly involving elements of consulting, the requestor from the department is responsible for completing the Non-Competitive Procurement Justification, as well as explaining whether the service being procured is considered consulting and why it is determined so, and submitting them to Purchasing Services.

It is the department's responsibility to ensure that sufficient information has been provided in the Consulting vs Non-Consulting Services Form to support the determination you have made.

If the department cannot provide sufficient evidence to support that the services being procured are non-consulting services, the procurement of the services must be approved in accordance with the University's Procurement Approval Authority Schedule for Consulting Services.

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**Source URL:** <https://www.uoguelph.ca/finance/consulting-vs-non-consulting-services>

### Links

[1] <https://www.uoguelph.ca/finance/non-competitive-procurement-provisions>