This information is being shared with the York community as it contains several key initiatives being undertaken by Procurement Services, Finance Department. These initiatives will impact on the manner in which the acquisition of goods and services will take place as well as why these changes are being made, who they will impact, and what the end result is expected to be.

These initiatives are aligned with the Ontario provincial government’s directive that all broader public sector institutions comply with the requirement to implement supply chain leading practices including process automation and participation in collaborative strategic sourcing events.

These requirements are reflected in the Supply Chain Guideline which was issued by the Supply Chain Secretariat in April of 2009, and requires compliance to a number of key principles and standards by April 2010. These principles and standards can be summarized as follows:

- Adoption of an institutional Procurement Code of Ethics (approved by the Board of Governors, December 7, 2009);
- Follow competitive bidding regulations and limit non-competitive procurement situations (i.e. sole or single sourcing);
- Be open, fair and accessible to all suppliers by posting opportunities on an electronic tendering system;
- Sign contracts or agreements resulting from awards and in accordance with institutional signing authority policies;
- Ensure all back-up documentation in support of acquisitions is readily available and clearly supports final decisions;
- Implement automated processes and standardized templates and forms to reduce administrative burden;
- Participate in collaborative strategic sourcing initiatives with other entities in the broader public sector to leverage spending; and
- Ensure acquisitions are made against established contracts for goods and services.

These requirements are intended to yield several benefits including:

- Reduced operational expenditures in favour of reallocating resources in direct support of the University’s academic mission;
- Increased institutional agility to manage the acquisition process (from order to payment) in a much more efficient and effective manner;
- Improved compliance to internal and external policies and regulations; and
- Increased controls, accountability and fiduciary responsibility over public funds.
The graphic below provides an overview for context and is followed by a description of each element, its impact, and the changes that will be required for compliance.

SUPPLY CHAIN GUIDELINE FRAMEWORK

1. SUPPLY CHAIN GUIDELINE
   - Framework for public sector procurement

2. Government Directive

3. Code of Ethics
   - York University Procurement Code of Ethics
   - Endorsed by the Board & Executive

4. PPP 25 Mandatory Requirements
   - Competitive/Non-Competitive Procurement
   - Conflict of Interest
   - Contracts

5. Leading Practices

6. Process Automation

7. Collaborative Strategic Sourcing
   - Effectiveness
   - Efficiencies

8. Ontario Education Collaborative Marketplace (OECM)
   - Evaluation Members Handbook
   - Contract document

9. York University eMarketplace

10. Collaborative Strategic Sourcing

- Office Supplies
- Photocopiers
- Fine paper
- Desktop Technology
- Lab Supplies

P2P (Procure to Pay)
York’s Solution
(12 months)
The Supply Chain Guideline provides the public sector procurement framework which York University is expected to adhere to and demonstrate compliance.

This framework is based on a directive from the Ministry of Finance, Supply Chain Secretariat and is supported by other key funding ministries (MTCU, MRI).

This directive includes the adoption of an institutional Procurement Code of Ethics (which the Board of Governors has approved and is now posted on the Secretariat’s web page of all institutional Policies and Procedures and Procedures and is also available on the Procurement Services web page). The York University Procurement Code of Ethics is integral to the University Procurement of Goods and Services Policy and the University’s practices are guided by this Code of Ethics. All employees of the University who, during the course of their duties, are involved in the process of acquiring goods or services shall perform their duties to the standards iterated in the Code of Ethics.

The directive also includes the implementation of 25 standards in the institutional Procurement Policy and Procedure (PPP), the majority of which have already been implemented by Procurement Services with the remainder currently in progress.

Examples of requirements already implemented:

- Segregation of duties
- Appropriate approval and signing authorities
- Conflict of Interest policy/guidelines
- Competitive Bidding process by approved dollar thresholds and in accordance with competitive bid laws
- Expanded evaluation criteria in competitive bidding documents
- Posting competitive bid opportunities through an approved electronic tendering system (York uses Biddingo and/or MERX)
- Public award notification announcements
- Process for non-competitive procurements (i.e. sole or single sourcing)
- Development of a contracts database
- Proposal Evaluation Handbook
- Vendor debriefing procedure

Examples of requirements to be implemented by April 2010:

- Requirement for formal contracts following award
- Vendor protest procedures

The implementation of leading practices is a second key component of the government’s directive. These are broadly defined as automated processes and collaborative strategic sourcing.
Process automation is recognized as a driver of effectiveness as it offers several benefits including: focusing staff time on core service delivery in support of students/faculty; reduced data entry efforts; faster order placement; correct invoicing/payment, among others.

Collaborative strategic sourcing is recognized as a driver of efficiencies as it provides for group sourcing initiatives to offer lower pricing for products and services that are commonly used by public sector agencies, organizations and institutions.

The provincial government provided financial support for the creation of a not-for-profit corporation – Ontario Education Collaborative Marketplace (OECM) – which has been tasked with developing an electronic procure-to-pay (P2P) tool and made available to all school boards, colleges and universities in the province of Ontario (collectively referred to as SCUs). A second task assigned by the province to OECM is to facilitate the collaborative strategic sourcing of goods and services on behalf of SCUs to leverage spending and on-board contracted suppliers to the automated P2P tool – “eMarketplace”.

OECM has sourced the technology that York University will use to create its own eMarketplace and Procurement Services, in conjunction with Finance and UIT has initiated a project to design, test, pilot and implement an appropriate eMarketplace for the York community. The project team will include members of the community in the requirements gathering and test phases of the project. Frequent communication on developments will be issued by Procurement Services. The intent is to have this functionality available to community members for a number of pre-negotiated suppliers with contracts/catalogues by the fall of 2010.

Procurement Services has been actively participating on collaborative strategic sourcing initiatives undertaken by OECM. To date, several contracts have been negotiated with preferred pricing and other favourable terms and conditions. The commodities contracted to date are: office supplies, photocopiers and printing devices, and fine paper. Underway are initiatives associated with laboratory supplies and desktop technology such as computers and notebooks.

A careful analysis is being conducted by Procurement Services to determine the best value associated with changing existing preferred suppliers/contracts to those now available through OECM negotiated contracts. The outcome of this analysis will be communicated by Procurement Services along with a transition plan and timeline. Key to achieving institutional savings is the adoption rate of these new contracts by internal York community members.

Together with the staff in Procurement Services, I look forward to working with the York community in the implementation of the Procurement Framework described above. I am confident that the implementation of a York University electronic marketplace will provide support to those involved in the acquisition of goods and services, and that institutional savings can be achieved by procuring goods through established OECM vendors of record for commonly purchased commodities.
I welcome your thoughts, feedback and continued support in our efforts to provide the York community with quality services and continuous process improvements.

Sincerely,

Renata Faverin, MBA