

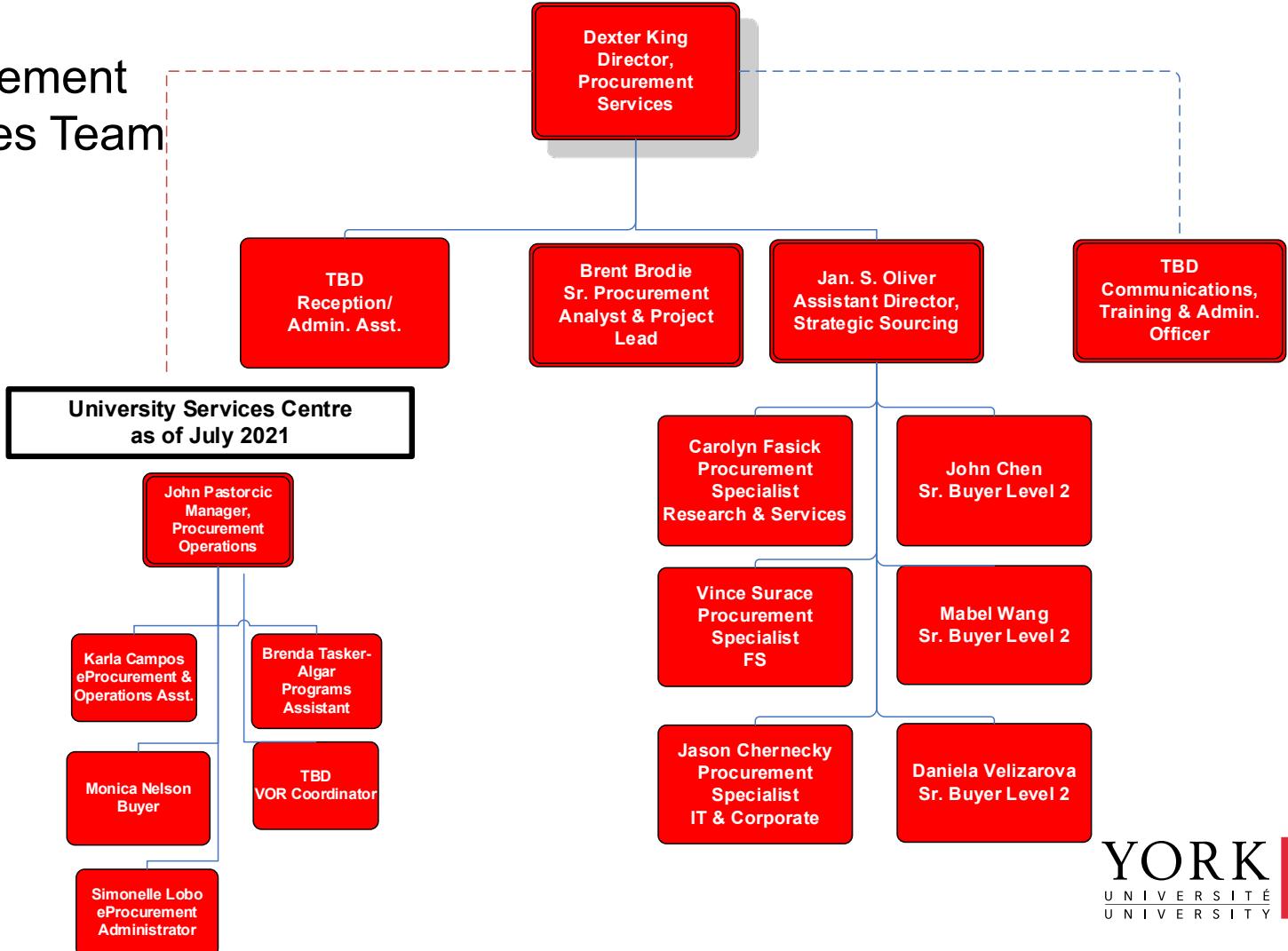


# Procurement @York

## Fundamentals of Procurement

# Research Commons

# Procurement Services Team





# Agenda

- Laws, Regulations, Policies, Procedures and Guidelines
- Procurement Services Responsibilities
- Local Unit Responsibilities
- Definitions
- How to Purchase and Dollar Thresholds
- Purchasing @ York – Other Considerations
- Q's and A's



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# Procurement Services Guiding Principles

The overall management of the University's procurement process is in compliance with **governmental procurement legislation and institutional policies and procedures**:

- Canadian Free Trade Agreement (“CFTA”) (formerly the Agreement on Internal Trade (“AIT”))
- Canada-European Union Comprehensive Economic and Trade Agreement (“CETA”)
- Ontario/Quebec Trade Agreement
- Competition Act, Competitive and Contract Laws, WSIB, RST, Sale of Goods Act, etc.
- BPS Procurement Directive
- University Policy on the Procurement of Goods and Services

# Broader Public Sector Procurement Directive Purpose

The purpose of the Directive is:

- Ensure that publicly funded goods and services, including construction, consulting services, and information technology are acquired by BPS organizations through a process that is open, fair and transparent
- To outline responsibilities of BPS organizations throughout each stage of the procurement process; and
- Ensure that procurement processes are managed consistently throughout the BPS



# York University Procurement of Goods & Services Policy and Procedure

Policy ensures:	Procedure provides:
<ul style="list-style-type: none"><li>• Compliance with federal and provincial legislation</li><li>• Proper procurement accountabilities by all areas across the university</li><li>• Transparency of procurement process to both local unit and vendor</li><li>• Arm's length relationship between end-user and vendor – conflict of interest guidelines</li></ul>	<ul style="list-style-type: none"><li>• Standardized process framework for all users across the university</li><li>• Delineation of roles and responsibilities of Procurement Services and community members</li><li>• Provides guidance for the most appropriate acquisition method based on criteria and anticipated dollar value of a good or service</li></ul>

# York University Policies, Procedures and Guidelines

Integral to the University Procurement Policy and Procedure are other important policies, procedures and guidelines:

- Acceptance of Gifts
- Businesses and Programs Operating on York University Premises, Guideline on
- Conflict of Interest
- Expense Reimbursement
- Insurance and Risk Management
- Payments to Third Parties
- Procurement Code of Ethics
- Signing Authority: Policy and Register
- Surplus Asset Management



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# Procurement Services Responsibilities

Manages institutional spending of public funds by managing spending according to clear, transparent and fair procurement practices.

Authorized agent to commit university funds to external vendors through the issuance of appropriate documents (i.e.. purchasing cards, Sm@rtBuy, purchase orders, standing agreements, contracts and non-competitive procurement)

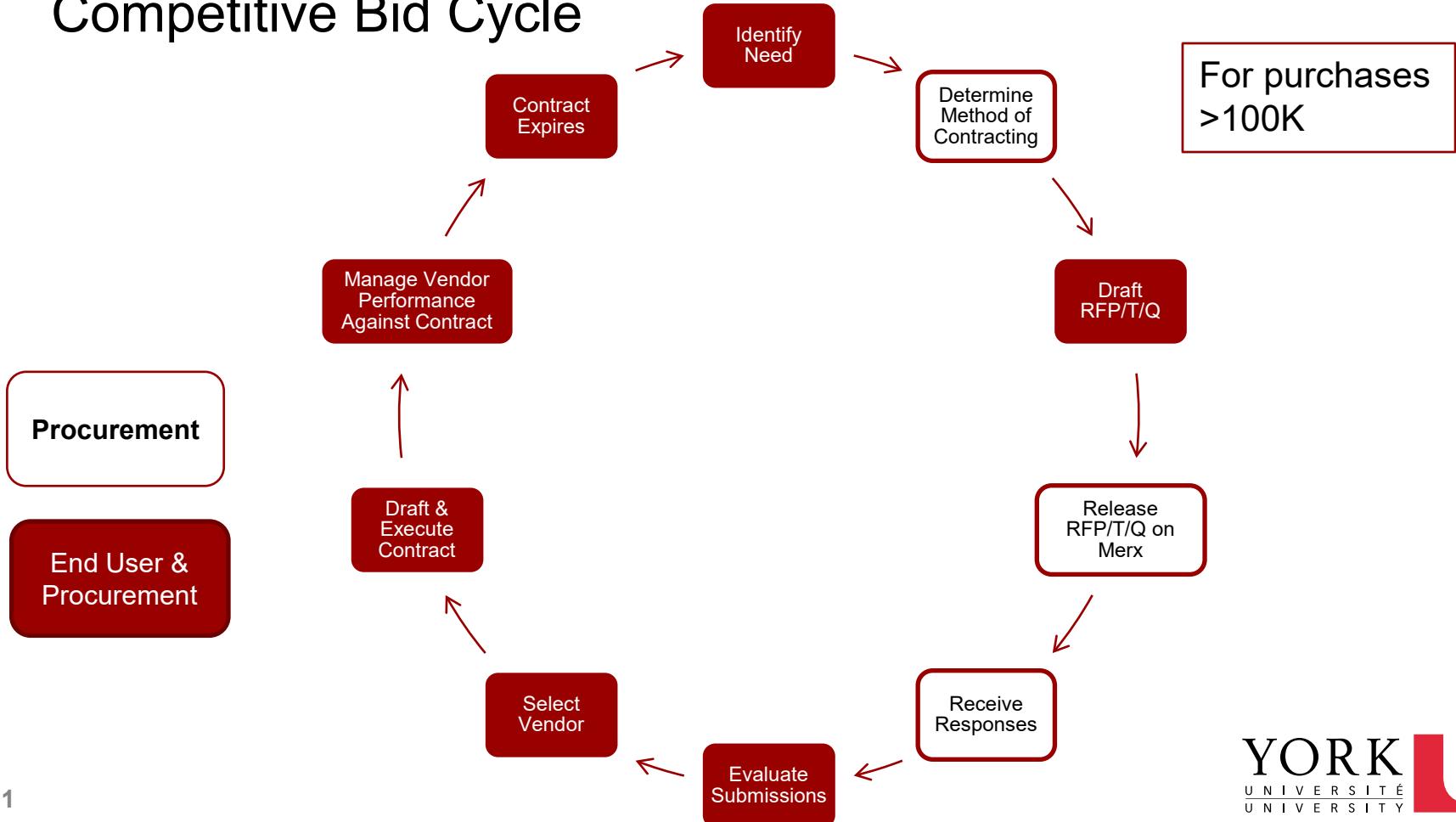
Manages risk associated with substantial purchases via credit checks, financial statement review, client references, vendor certification, warranty applications, health and safety standards, insurance requirement, etc.

Conducts the competitive bid process including preparing request for proposals, quotes, tenders and posts opportunities electronically, evaluates submissions, recommends awards, manages contract renewals and cancellations.

Analysis of spend trends to identify long term contract opportunities with major vendors

Manages pan university programs such as custom clearance and surplus asset management program

# Competitive Bid Cycle





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# Local Unit - Responsibilities

- Compliance with University policy on the Procurement of Goods and Services and other policies, procedures and guidelines established by Procurement Services (e.g. university purchasing card, surplus asset disposal, customs clearance, etc.)
- Maintaining records of all acquisitions under \$25,000 including PCard transactions for audit purposes

# Local Unit – Responsibilities cont...

- Reconciling purchasing transactions against monthly transaction details report (available on eReports) regardless of acquisition method used (e.g. PCard, Purchase Order)
- Following up with vendor order/pay discrepancies, products not delivered according to specifications, defective products...and, completing the Vendor Evaluation Survey



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# Definitions

# Purchasing Requisition

- This form is used to **initiate** the process of creating a Purchase Order.
- The York Community will download from the Procurement Services Website and complete.
- Required Signatures are based on Signing Authority Register.

# Purchase Order

- A **Purchase Order** is a commercial document and official offer issued by a buyer to a seller indicating types, quantities, and agreed prices for products or services.
- It is used to control the purchasing of products and services from external suppliers.
- Procurement Services will issue a Purchase Order for acquisitions over \$25,000.

# Purchasing Orders – Community Responsibilities

PO Type	General PO (normally one time only orders)	Blanket PO (one per fiscal)	Project PO (spans multiple years)
Community Responsibility	<ul style="list-style-type: none"><li>Vendors send invoices directly to Accounts Payable or end user</li><li>The department verifies quantity received is correct</li><li>Print name, sign and date the Receiving Instructions field on the Purchase Order and forward to Accounts Payable (acctpay@yorku.ca). This indicates to Accounts Payable that upon receipt of invoice payment can be processed.</li><li>Department indicates if a partial payment is required (e.g. goods back ordered). A copy of the PO must state "Partial Payment".</li></ul>	<p>Vendor invoices received by Accounts Payable are sent to the department. Department is required to:</p> <ul style="list-style-type: none"><li>Verify charges and quantity received is correct</li><li>Note the PO number on invoice</li><li>Print name, sign and date invoice and forward original invoice to Accounts Payable for payment</li><li>If the BPO has multiple line items, the invoice must include which line item the invoice should be paid against</li><li>With the last payment, the copy of the PO must be attached. This indicates to Accounts Payable that this is the final payment against the PO.</li></ul>	<p>Vendor invoices received by Accounts Payable are sent to the department. Department is required to:</p> <ul style="list-style-type: none"><li>Verify charges and quantity received is correct</li><li>Note the PO number on invoice</li><li>Print name, sign and date invoice and forward original invoice to Accounts Payable for payment.</li><li>If the payment is a progress payment against the PO for a portion of the work completed, the invoice is sent back to AP with authorized signature(s) and a copy of the PO indicating progress payment.</li><li>With the last payment, the copy of the PO must be attached. This indicates to Accounts Payable that this is the final payment against the PO.</li></ul>

***NOTE: Instructions are on the reverse side of every PO copy sent to the community! To determine if there is an outstanding balance on a PO, view the Outstanding Purchase Order Commitment report on eReports.***

# Purchasing Card

- A **credit card**.
- The “Pcard” is used solely for the procurement of goods and services that are required to conduct York University business, and is a **convenient** and efficient method of acquiring low value goods and services directly from vendors, thereby **expediting vendor payment**.
- <https://www.yorku.ca/procurement/credit-cards/purchasing-card-pcard-program/applying-for-a-pcard/>

# Vendor of Record

- Procurement Services has established **contractual agreements** with vendors.
- The result of a public procurement process.
- Represented by an Standing Agreement or **SA #**.
- NOT the result of a 3-quote process.



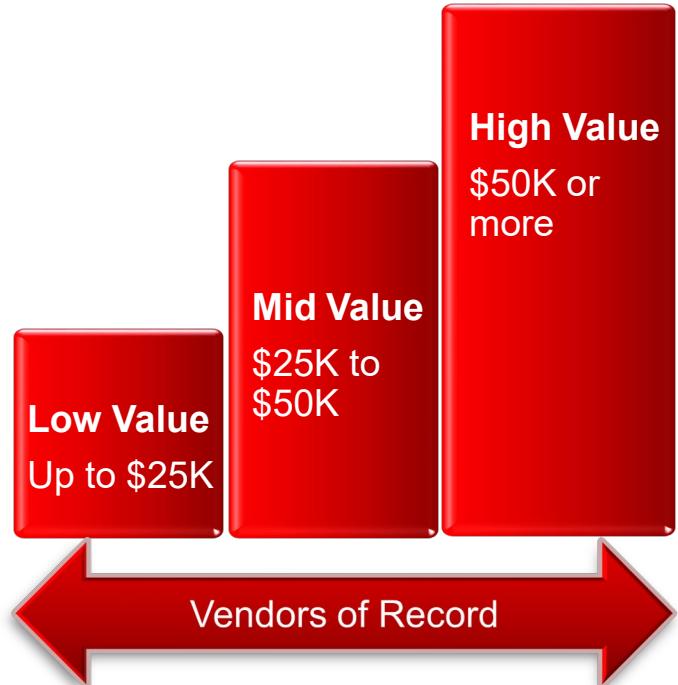
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# Dollar Thresholds and Acquisition Process

Procurement Services has designated dollar thresholds to guide the order-to-pay process:

- **Lower value** acquisitions can be made at the local level to expedite orders and ensure prompt vendor payment
- **Mid value** acquisitions can be made at either the local level or by Procurement Services. Fair market value (3 quotes) is required
- **High value** purchases may yield better pricing through quotations or require a formal competitive bid process (public policy requirement) and are managed by Procurement Services

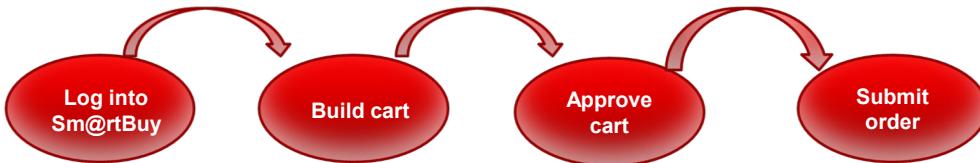


**Up to \$25,000**

# Methods of Purchase/Pay

- Sm@rtBuy
- Purchasing Card (PCard)
- Payment Requisition
- Purchase Order
- Vendors of Record

# Sm@rtBuy - Benefits



- **One-stop shopping:** You are able to purchase a variety of products from office supplies, to computers, to scientific supplies, to catering just by logging in with your Passport York account.
- **Lower prices:** York will be better placed to leverage improved pricing by maximizing our relationships with preferred vendors on Sm@rtBuy.
- **Accessible:** Sm@rtBuy is accessible, should you need it, from any computer anywhere the internet connects you.
- **Comparison Shopping:** Sm@rtBuy allows users to compare prices from competing vendors and select the best value for the same product.
- **Environmentally Friendly:** Sm@rtBuy is a paperless process, so it helps reduce our carbon footprint.

J Home - Shop

solutions.sciquest.com/apps/Router/Home?tmstmp=1632816698977

Apps Acer Imported From IE Triangl Swimwear &... Fibre TV Client Application S...

Other bookmarks Reading list

# YORK U Sm@rtBuy

All Search (Alt+Q) 0.00 CAD Logout

Shop ▶ Shopping ▶ Shopping Home

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Shop Everything  Go

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**Welcome to Sm@rtBuy**

Sm@rtBuy is York's electronic procurement system, designed to improve purchasing processes and reduce costs! Sm@rtBuy is your online "one-stop shop" to purchase and pay for anything you need, from office supplies to scientific equipment. Users may experience fluctuation of pricing and discontinuation of products between the time that goods are ordered and invoiced.

Menu Search (Alt+M)

**Apparel**

**YORK UNIVERSITY BOOKSTORE**  
Contact YU Bookstore

**Computer Equipment/Supplies**

**ANIXER** **CDW** **Adobe CLP Lvl 2 order thru UIT** **\$10 Ship'g offcampus <\$100** **DELL**

**Food Services**

Powered by JAGGAER javascript:void(0);

# Up to \$25,000 - Purchasing Card (PCard)

- Used for low value goods when there is little expectation of better pricing through quotations; typically purchased to sustain standard operating requirements of the local unit
- Flexibility to purchase at local unit level; documentation kept in local unit (i.e. PCard statement and invoices) and must be available for audit purposes
- Can be used as the payment method for established contractual agreements where pricing and terms and conditions have already been negotiated by Procurement Services

Visit the PCard website at: <https://www.yorku.ca/procurement/credit-cards/>



# Up to \$25,000 - Payment Requisition

- To be used in instances where the good/service is not available on Sm@rtBuy, a purchase order is not required, or where use of the PCard is not an option
- Unit is responsible for completing the Payment Requisition and forwarding to Accounts Payable along with the original invoice
- The Payment Requisition form is located on the Finance website at:  
<https://www.yorku.ca/finance/forms/>  
(under Accounts Payable)

**PAYMENT REQUISITION FORM**

Refer to Standard Operating Procedure – Payment Requisition located at <http://www.yorku.ca/finance/forms/>

**Instructions:**

1. Information contained in complete all mandatory areas as applicable.
2. All mandatory and appropriate supporting documentation must be attached.
3. When completed forward to Accounts Payable, Finance Department, 4747 Keele.

**Notes:**

- Mandatory payment must take an electronic requisition. Complete the requisition form with Finance details required to be processed.
- The University normally does not allow advance payment of invoices.
- Requisitions may only be processed through payment, award, scholarship, grant or similar payments to York students are processed through SIPS.
- Completion of the requisition should be in the mandatory. Incomplete forms will not be returned to the preparer for correction.

PAY TO		Vendor Master # / YorkU Business Number		Individual Third Parties	
VENDOR ADDRESS		Address – National, Postal and FAX No. or P.O. Box # E.R.			
		Address – Confirmation if needed			
		City	Province / State	Postal code / ZIP	Country
REASON FOR PAYMENT					
DESCRIBE AREA AND FOR FINANCIAL DEPARTMENT ONLY					
Vendor Header			YorkU Header		
CHARTER/PROJ/CONTRACT NUMBER		OPTIONAL		CURRENCY	
Account	Proj.	Cost Centre	Activity	Time	Cdn/Pmts <input checked="" type="checkbox"/> U.S. Pmts <input type="checkbox"/>
Total <b>0.00</b>					
This purchase is NOT on a Purchase Order for the reasons noted below. Please check the box, and if applicable, provide the reference number that applies to this payment request.					
<input type="checkbox"/> Standing Agreement/Contract Reference Number <input checked="" type="checkbox"/> Purchase order number <input checked="" type="checkbox"/> Total payment to above vendor in fiscal year will be < \$10,000. * <input checked="" type="checkbox"/> Payment is for a temporary vendor <input checked="" type="checkbox"/> Payment is to a regulatory agency <input checked="" type="checkbox"/> Refund (e.g. course, parking, etc.) <input checked="" type="checkbox"/> Definitions for each item are located in the Standard Operating Procedure					
Prepared by: Please note that preparer and approver cannot be the same individual.					
Name (please print)	<input checked="" type="checkbox"/> Off campus event vendor <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> A financial approving the payment request is responsible for ensuring that cumulative purchases from the same vendor do not exceed \$10,000 (including taxes) in a fiscal year.				
Signature					
Title/Role					
Date	Total				
Finance Department – Accounts Payable					
<input type="button" value="Print"/> <input type="button" value="Clear Form"/> <input type="button" value="Close"/> CR-January 2018					

**\$25,000+**

# \$25K+ Purchase Orders

## No Vendor of Record

Where the University has not established contracts or agreements with vendors, the following payment processes shall apply:

- Purchase Order – purchases in excess of \$25,000.

# Vendors of Record

Procurement Services has established contractual agreements with vendors to:

- Ensure compliance with specific terms and conditions
- Secure long-term contracts with fixed pricing
- Monitor vendor performance
- These contracts are available on the Procurement Services website (along with the payment methods) and are accessible through Passport York:

<https://www.yorku.ca/procurement/vendors-of-record/>



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# Authorizations and Approvals

- Dollar thresholds will determine who is authorized to sign contractual agreements as per the University Signing Authority Registry
- Contracts, service agreements and other procurement related documents must be reviewed and executed by the Director, Procurement Services
- Link to the University Signing Authority Register:  
<https://www.yorku.ca/secretariat/policies/wp-content/uploads/sites/420/2021/07/Signing-Auth-Register-20210401.pdf>

# Payment to Third Parties

The acquisition process is completed with **payment for goods and services received**.

- vendor invoices are paid by Accounts Payable according to established payment terms
- typically, payment will be made NET 30 days from invoice receipt or satisfactory delivery of goods and services, whichever is greater, unless more favourable terms have been negotiated with the vendor by Procurement Services
- University does not normally allow advance payment or pre-payment. Any deviations must have prior authorization by the University Comptroller
- managers must ensure one-over-one approval of all third party payments

# Common Issues for Procurement Services

- Not including proper documentation with Purchasing Requisitions – 3 quotes, NCP, incorrect signing authority
- Invoices paid a different method than how the Purchase Order stated – PCard, Payment Requisition therefore the Purchase Order commitment does not clear
- Purchasing unacceptable goods via the Pcard
- Failure to monitor the Open PO Commitment report for PO balances – may cause delays in payment processing (re: insufficient funds)

# Resources

- Procurement Services Website
- General Inquires [purchase@yorku.ca](mailto:purchase@yorku.ca)
- Telephone: 416-736-5143