

POLICY 2.8 – Procurement of Materials and Services

Policy Category: Financial

Subject: Procurement of Materials and Services

Approving Authority: Board of Governors

Responsible Officer: Vice-President (Operations & Finance)

Responsible Office: Financial Services

Related Procedures: [Procedures Related to the Procurement of Materials and Services](#)

Related University Policies:

Policy 1.49 [Contract Management and Signing Authority](#)

Policy 2.6 [Retention of Legal Counsel](#)

Policy 2.12 [Acquisition of Investment Services](#)

Policy 2.15 [Approval of Capital Projects](#)

Policy 2.23 [Contracting of Brokers and Consultants](#)

Policy 3.4 [Conflicts of Interest](#)

Resolution [Delegation of Authority](#)

Effective Date: April 24, 2024

Supersedes: June 21, 2018, November 24, 2011; April 30, 2009

I. PURPOSE

The purpose of the Procurement Services Policy is to define:

- the responsibilities and accountability associated with the acquisition of goods and services, whether by purchase, rental or lease, related to the constituent University
- the limits of authority
- the guidelines that will maximize value-for money
- a system for accountability

Those responsible for the procurement of goods and services will have regard for associated environmental, social, governance and ethical impacts, while complying with University policies, financial controls and provisions with respect to conflict of interest.

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This policy, and all goods and services procured on behalf of the University, must be in accordance with all applicable domestic and international trade agreements and federal and provincial legislation.

Authority thresholds are in Canadian dollars, or equivalent, at the date of the transaction or initiation of an agreement or contract.

II. DEFINITIONS

Approval Authority: the authority delegated by the University to an individual to approve, on its behalf, one or more procurement functions within the procure-to-pay-cycle up to specified dollar limits subject to the application of legislation, regulations and procedures in effect at such time.

Competitive Procurement: a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.

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

Employee: typically on payroll, with deductions made at the source. An individual may be hired on a full-time or part-time, temporary or permanent basis. The University maintains the right of direction and control over the employee's actions, has the power to dismiss the individual, and provides the tools and equipment for the job.

Invitational Competitive Procurement: any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.

Non-Consulting Service Provider (NCSP): an individual/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.

Procurement Value: the estimated total financial commitment resulting from procurement, taking into account optional term extensions.

Purchase Requisition: the document created and approved by the user department through Western's electronic requisitioning tool for the purchase of goods and services.

Purchase Order: the formal, legally binding document that is sent to the supplier once the Purchase Requisition has been approved by Procurement Services.

III. POLICY

- 1.00 The responsibility for the identification of needs and specifications is the responsibility of the user Department.
- 2.00 Except as otherwise specifically delegated by the Board of Governors or the President, all acquisitions for the University of materials and services from all sources of revenue (i.e. general operating budget, ancillary operations, research funds, capital funds and other monies held in trust for special purposes) shall be the responsibility of Procurement Services.

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Exclusions are:

- a) Contracts for construction (new buildings, additions, or major alterations or renovations). Refer to [Policy 2.15](#).
 - b) Contracts for the acquisition or lease of land or buildings. Refer to [Policy 1.49](#) and [Policy 2.15](#).
 - c) Personnel services (i.e., benefits, wage and salary administration, and occupational health and safety). Refer to [Policy 2.23](#).
 - d) Investment services, including Pension Board and Treasury. Refer to [Policy 2.12](#), [Policy 2.23](#) and Resolutions 1-J and 1-K.
 - e) Insurance. Refer to [Policy 2.23](#).
 - f) Legal Services. Refer to [Policy 2.6](#).
- 3.00 Procurement Services, in discharging its responsibilities, shall have the final decision in the selection of the supplier and establishing the price, terms, and conditions of purchase.
- 4.00 Procurement Services will work co-operatively with University Advancement when suppliers or potential suppliers to the University are to be solicited for donations. However, in no case, shall donations or other gifts given in the past, present, or offered in the future be considered a factor in a purchase decision with the exception of in-kind contributions and partnerships associated with granting agency funded research purchases.
- 5.00 Procurement Services may delegate its operational responsibilities, up to a maximum of \$500,000, to other Departments in specific instances while retaining functional authority.
- 6.00 Procurement Services will strive to provide suppliers opportunities to bid on University business in a fair, open and competitive process. This will be achieved by the use of informal and formal bids. Competitive bids will be solicited in accordance with all applicable domestic and international trade agreements, federal and provincial legislation and processes as outlined in the Policy 2.8 Procedures document.
- 7.00 Under no circumstances will the University entertain purchasing goods for subsequent sale to individuals for personal consumption or utilization except through its normal retail operations.
- 8.00 The University does not enter into leasing or financing arrangements for the procurement of goods or services. In rare circumstances, where the nature of the acquisition requires a financing arrangement, approval must be obtained through the Director, Procurement Services and the Controller, Financial Services, prior to proceeding with the procurement.

EXPENDITURE AUTHORITIES

- 9.00 The President, Vice-Presidents, Associate Vice-Presidents, Vice-Provosts, Deans, Budget Unit Heads and Principal Investigators are authorized to sign/approve purchase requisitions without limit for their respective areas of responsibility when the expenditure is provided for in approved budgets, with such purchases to be effected by Procurement Services in accordance with approved policies and procedures. The above officers may delegate their authority to approve purchase requisitions for goods, services and recoverable salaries and benefits. Such delegations, including specified limits, must be provided to Procurement Services in writing.

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10.00 The following have the authority to commit the University to the expenditure of funds for any one transaction, contract, or agreement up to the limits specified below, taking into account optional term extensions (i.e., service, licensing and maintenance agreements/warranties, and non-consulting services) to:

(a)	Board of Governors	Over \$10,000,000
(b)	Property and Finance Committee	\$10,000,000
(c)	President or Vice-President (Operations & Finance), or, in their absence, the Vice-President (Academic)	\$5,000,000
	Vice-President (Research) for research funded acquisitions. The President may authorize research equipment purchases in excess of this limit, provided the criteria from paragraph 4, Delegation of Authority, are met.	
(d)	Associate Vice-President (Financial Services) or the Associate Vice-President (Institutional Planning & Budgeting)	\$2,500,000
(e)	Director, Procurement Services	\$1,500,000
(f)	Procurement Manager	\$500,000
(g)	Procurement & Contract Specialists	\$250,000
(h)	Procurement Buyers	\$75,000
(i)	Local Business Unit Authorized Personnel	\$25,000

11.00 Ongoing expenses for transactions, contracts and agreements that have already been approved during Western's regular budget approval process can be approved by the President, Vice-President (Operations & Finance) or the Associate Vice-President (Financial Services) without limit. The nature of these ongoing expenses is such that they are planned for and expected in order to operate the university (e.g., insurance, telecommunications, supplies).

12.00 The tendering and purchase of utilities (electricity, natural gas, and water) is administered by Facilities Management with the support of Procurement Services. Contracting for electricity and natural gas will occur using a competitive bidding and review process. The authority to sign contracts with suppliers is as follows:

(a)	Associate Vice-President (Facilities Management) and Director, Procurement Services	\$4,000,000
(b)	Vice-President (Operations & Finance) or President	over \$4,000,000

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RELATED DOCUMENTS AND OTHER RESOURCES

Accessibility for Ontarians with Disabilities Act (AODA)

<https://www.ontario.ca/laws/statute/05a11>

Broader Public Sector (BPS) Accountability Act

<https://www.ontario.ca/page/broader-public-sector-accountability>

Broader Public Sector (BPS) Procurement Directive

<https://files.ontario.ca/tbs-bps-procurement-directive-en-2023-08-23.pdf>

Canada-European Union Comprehensive Economic and Trade Agreement

<http://www.international.gc.ca/gac-amc/assets/pdfs/publications/European-Union-Government-Procurement-Guide-ENG.pdf>

Canadian Free Trade Agreement

<https://www.cfta-alec.ca/>

Technology Risk Assessment

<https://trac.uwo.ca>