



# The Research Guide to Procurement

Procurement & Contract Management

Finance, Procurement and Planning

March 2022

## Introduction

This guide has been developed to assist campus research users to understand and follow the procurement process. This guide has been broken into two parts. Part A focusing on the standard procurement process and how it fits into the set up of the research award, and Part B, changes being made to the procurement processes as of April 1, 2022.

### Part A

To buy items, funding needs to be confirmed and available. In the research process that is when the research award has received all approvals, funds are received by the U of A, and the research account is activated with a speed code assigned. A speed code is, in essence, a “bank account” that allows financial transactions to occur. For more information, please refer to the following:

[Research Administration Process | Research Services Office \(ualberta.ca\)](#)

RSO Process Step	How the RSO Process relates to Procurement
Finalize Funding Documentation	At this point in the process no procurement can occur, as the project is not activated, and a speed code is not yet assigned.
Activate Project Account	Once the project is activated, a speed code is assigned. It is at this point procurement can occur in accordance with granting guidelines and U of A procurement process guidelines. <a href="#">Speed Codes   Research Services Office (ualberta.ca)</a>

- Research projects can have multiple speed codes. It is up to the principal investigator, aka budget owner, to determine which speed code to use if there is more than one.
- Purchase Orders cannot be processed beyond the end date of a grant. If the end date of a grant is extended (a process that may require prior documented approval of the funder), a formal change order to amend the end date must be submitted and approved.
- No procurement activity, i.e., use of a PCard or submission of a SupplyNet request, can commence until the project is activated with a Research Services Office (RDO) assigned speed code.

Once an item is purchased it will be delivered to the delivery address identified on the Purchase Order. It is very important for the researcher or delegate to ensure that the proper, ordered item is received and verify receipt.

The vendor will submit an invoice for payment centrally to the U of A, the invoice will use the PO order number and the financial information provided at the time of Purchase Order generation. It is the responsibility of the researcher to manage their research funds in accordance with [Manage Funding | Research Services Office \(ualberta.ca\)](#).

### Role of a Budget Owner (aka Principal Investigator)

A Budget Owner is the person responsible for the budgetary provision and control for a planned procurement in accordance with the U of A financial policies and guidelines. Within the research process Budget Owners are principal investigators aligned with the respective research projects.

Within the procurement systems it is the Budget Owner's responsibility to ensure workflow approval for PCards, Purchase Requisitions, Purchase Orders, and other financial transactions related to research accounts. Even if there is delegated authority given to a staff member from a principal investigator, it is the budget owner who still is required to give final approval to PCard reconciliations.

### Part B

The following changes are being made to the procurement processes being implemented April 1, 2022:

- Mandating the Preferred Supplier Agreements (PSA).
- The requirement for 2-quotes or single source justification for items \$20K - \$75K.
- Use of a checklist to assist with procurement in your area.
- Ensuring Corporate p-cards are used for eligible expenses.
- Ensure personal credit cards are only used in specific circumstances.
- Enhanced ability to search by commodity and availability on the PCM website.
- The use of new forms for the appropriate processes and a checklist to assist you in ensuring all the items required by PCM are completed. All forms and checklists are available in the PCM forms cabinet.

### Preferred Suppliers

As of April 1, 2022, the use of Preferred Supplier Agreements (PSA) will be mandated. The use of Preferred Supplier Agreements (PSAs) has many benefits.

- **Reduced cost** – A preferred supplier program makes it easier to negotiate advantageous pricing and improve payment terms.
- **Improved quality of service** – preferred suppliers understand our business due to the more intimate nature of your relationship, which means they'll be better-placed to meet (and exceed) your expectations.
- **Straightforward Communications** – To handle problems that may arise a clear communication strategy has been established that can be followed easily.
- **Reduced risk** – A preferred supplier program mitigates supply chain risk.
- **Contractual terms** – Both the requisitioner and supplier benefit from a preferred supplier program.
- **Increased efficiency** – The purchasing process across the UofA is quicker and easier to

complete.

- **Improved consistency** – A PSA enables consistent delivery of high-quality service.

**Note:** Existing general contracts excluded.

### Purchase Order Process

Effective April 1, 2022, Procurement & Contract Management has implemented a mandatory multiple quote process or single source justification for those purchases \$20K - \$75K when not using a PSA. PSA purchases do not require quotes. For items \$5K to < \$20K requesting a minimum of two-quote process is recommended, but not mandated.

If a minimum of two quotes are not available, justification for purchasing through a single supplier must be provided. This reasoning (termed single or sole source justification) should be included when completing the purchase requisition for the order to proceed.

### *New Forms and Checklist*

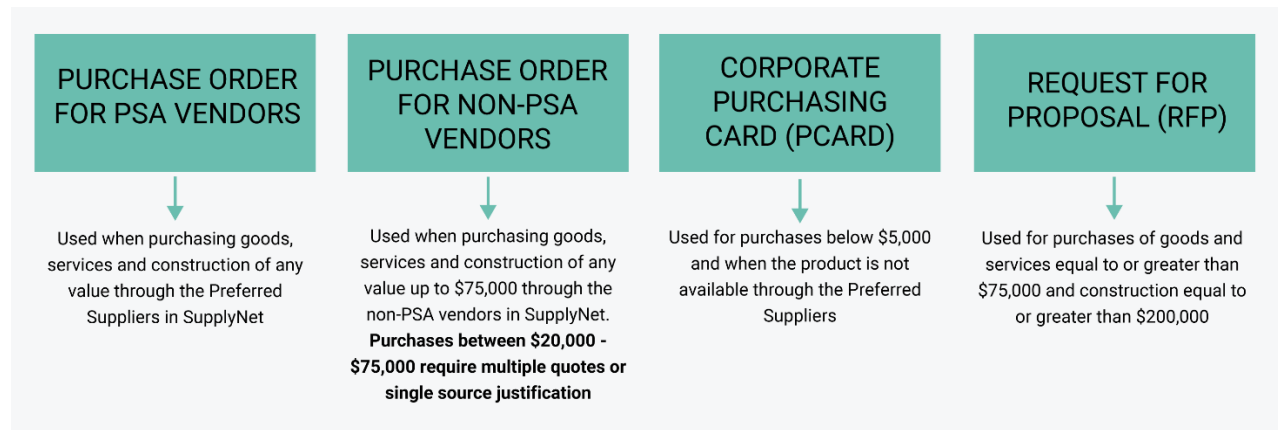
*Procurement Policy Exemption Source Justification Form Purchases between \$20,000 - \$75,000* – to be completed by the campus user wanting the item  
[feb.-10-22-sole-and-single-source-justification-form-v2.pdf \(ualberta.ca\)](#)

*Invitation to Quote for Goods and Services Between \$20,000 - \$75,000* – to be completed by the vendor  
[feb.-10-22-invitation-to-quote.pdf \(ualberta.ca\)](#)

*Supplier Quote Checklist* – the checklist may be shared with Suppliers when seeking quotations for goods and/or services and may be attached to the Purchase Requisition.  
[feb.-10-22-supplier-quote-checklist.pdf \(ualberta.ca\)](#)

Templates to facilitate purchasing, and a how-to guide to navigate this process, is available on the [Finance, Procurement and Planning website](#). It is advisable not to download forms, but rather use a new form from the cabinet for each time a form is required.

The **appropriate form(s) must be attached** to the Purchase Requisition is SupplyNet. Failure to do so will result in the Purchase Requisition being denied and sent back to the submitter, delaying the procurement process.

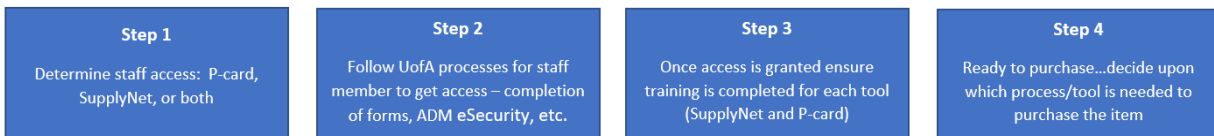


### The PCM Decision Tree - Which System to Use and Access Requirements

The decision tree provides an in-depth overview of each purchasing method and defines PCMs recommendation on which persons should have access to the procurement systems.

Determine:

- Which staff members should have access to procurement tools – P-card, SupplyNet.
- Which tool should be used and;
- How to complete the process and what information is required.



### *Procurement Card (P-card) and SupplyNet*

Departments are recommended to approve P-cards and SupplyNet access to users who purchase Goods or Services 5 times or more per year. Users who procure less than 5 times per year are encouraged to work with their Academic Department Manager, Faculty General Manager in non-departmentalized faculties, or Supervisor in service units to determine the process to purchase items as access to SupplyNet can be granted via eSecurity in PeopleSoft

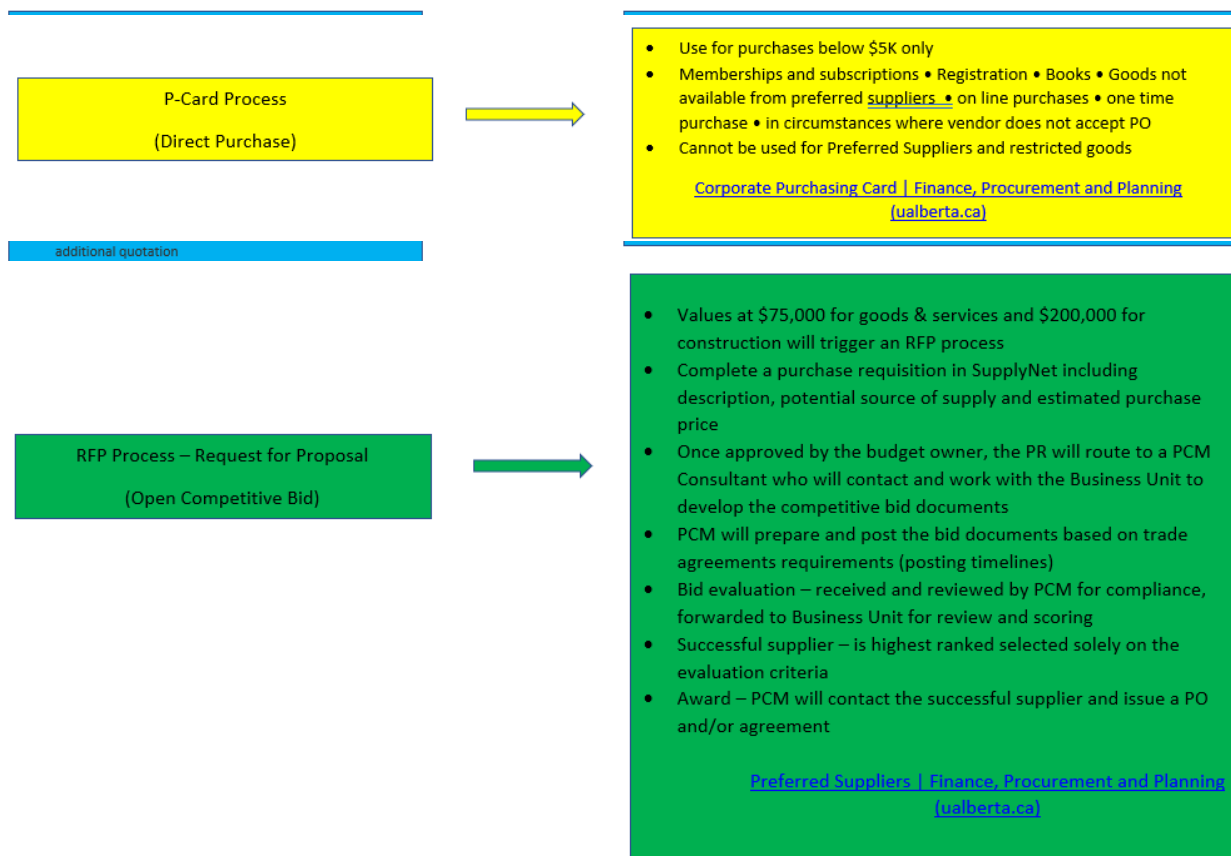
For information please see:

[Corporate Purchasing Card | Finance, Procurement and Planning \(ualberta.ca\)](#)

[SupplyNet | Finance, Procurement and Planning \(ualberta.ca\)](#)

Once users have access, it is important to use the appropriate purchasing tool.

## Procurement Decision Tree – Primary Purchasing Method is SupplyNet



Use this decision tree to select which procurement process to use: Purchase Order Process (PSA vendor), Purchase Order (Non-PSA vendor), P-Card process, RFP Process.

### Corporate P-card and Expense Reimbursement

Personal credit cards are not an approved procurement process for goods and services required for University business. The University issued Corporate PCard must be used. When using a PCard, users must reconcile purchase history on a monthly basis to be in compliance with the U of A Policy and Credit Cardholder Agreement.

Information about the Corporate P-Card program is available here: [Corporate Purchasing Card | Finance, Procurement and Planning \(ualberta.ca\)](#)

### Contract for Services

All units are required to follow the directions from PCM when using a Contract for Services (CFS) to complete work at the University of Alberta. This includes:

- Prior to beginning work, a SupplyNet requisition must be completed.
- If the value of the agreement is between \$20,000 to \$75,000, 2 quotes are required and must be submitted with the requisition.

- If 2 quotes cannot be obtained the completion of the Sole & Single Source Justification form is required and must be submitted with the requisition.
- Work may commence only once the Purchase Order has been created and approved.

PCM provides oversight and direction for all CFS agreements. The expectation is that the above processes are followed as outlined, and units cannot do the following:

- Submit invoices without a previously issued Purchase Order.
- Sign purchase or service contracts of any type (this role in all cases is completed by PCM).

Information about the Contract for Services process can be found here: [Contracting for Services | Finance, Procurement and Planning \(ualberta.ca\)](#)

#### Procurement Disputes

Should there be any issue with a procurement process, or an issue with a vendor, please contact PCM [procure@ualberta.ca](mailto:procure@ualberta.ca).

#### Helpful Links

Procurement and Contract Management website: [Procurement Contract Management | Finance, Procurement and Planning \(ualberta.ca\)](#)

UAPPOL Policy – Supply of Goods and Services Policy and associated procedures: [Policy Detail \(ualberta.ca\)](#)

[Receive & Manage Funding | Research Services Office \(ualberta.ca\)](#)

#### Terminology

<i>Term</i>	<i>Definition</i>
Budget Owner	The person responsible for the budgetary provision and control for a planned procurement in accordance with the U of A financial policies and guidelines.
Change Order	The purchase order (PO) is used as a <b>payment mechanism to a supplier</b> . Managing changes to the PO requires a change order to modify the dollar amount, additional service added, date extensions or update the PO data fields for financial or other information
PCard	Corporate (U of A issued) Purchasing Card
PSA	Preferred Supplier Agreement
PO	Purchase Order for Preferred Supplier Agreement (PSA) Purchase Order for Non-Preferred Supplier Agreement

RFP	Request for Proposal (competitive bid). Thresholds – Goods and Services=> \$75,000; Construction =>\$200,000 and above.
PR	Purchase Requisition