

University of Guelph

Overview: “The year of development” is the best way to describe the operational and strategic activities within Purchasing Services for fiscal year 2006/2007. Grounded in our department’s key accountabilities to the organization, our staff focused on a short list that targeted operational and organizational opportunities. The guiding objectives were simply: Remove paper from our procurement processes; Make effective use of available technology; Structure the department for improved customer service.

The following projects were initiated to bring forward the above changes;

- Create paperless purchase orders [pdf format]
- Distribution of purchase orders electronically [email / fax]
- Removed significant amount of paper year end close-out of purchase records
- Upgraded procurement card (US Bank) to a web portal version, providing real time administrative processing and improved cardholder reporting.
- Incorporated construction and renovation procurement for regional campuses and research facilities.
- Re-organized the department into team centres as follows;
Procure Team: Business, Teaching, Student Life, Customs, Low Value Analysis
Procure Team: Life Science, Construction (regional), Operations & Maintenance
Admin Team: Administration & Support
- Initiated the writing of standard operating procedures for all custom activities within the various procure-to-pay streams

The following ongoing initiatives provided advisory support for corporate initiatives;

- Advisory support – Code of Ethical Conduct for Suppliers
- Advisory support – Green Computing Initiative
- Advisory support – Development and marketing of supplier to University electronic payment interfaces

The above projects and initiatives represent major undertakings for the department. While most were completed by fiscal year end 2006/07, some are incomplete and will be noted in 2007/08.

Procurement Trends: We have noticed the following trends within the University and the procurement / supply management community which assist us in establishing our immediate and long term objectives.

- E-based venues for partial or full procure-to-pay processing are gaining greater levels of functionality and acceptance. Approval processing and validation remain the major concern for institutions.
- Strengthening of the Canadian dollar provided huge savings through supply contracts containing a U.S. fund component, i.e.: price. reductions from

Canadian distributors in Canadian funds; reduced cost for currency conversions on foreign contracts negotiated in U.S. funds.

Procurement Activity

Fiscal Year 2006/07	Goods & Services Purchase Activity	% Activity	Cost of Goods & Services	% Dollars
Orders > \$3k [26 public advertised bids]	3,000	2.5%	\$64,000,000	69.5%
Orders < \$3k	10,000	9%	\$5,300,000	5.5%
ProCard < \$3k [326 cardholders]	16,000	13.5%	\$ 3,800,000	4%
*SMC Releases [60 SMC contracts]	47,000	40%	\$17,400,000	19.5%
Freight [couriers]	33,000	32%	\$ 800,000	0.9%
Customs [clearance fee, duty, tax]	4,000	3%	\$ 600,000	0.6%
**Grand Totals	113,000	100%	\$91,900,000	100%

[*] **SMC** – Supply Managed Contracts are tendered/negotiated supply contracts for use. by all. A short form procure-to-pay process for the supply of low to medium value goods with high transactional volumes.

[**] **Not included** - Salaries, Benefits, Student Awards, Capital Projects; Utilities; Fees: legal, accounting, insurance, training, student, consulting under \$25k; Taxes - self assessed, Ancillaries & Travel.

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