



2022 Workshop Series

- Welcome! Thank you for joining us. The workshop will begin shortly.
- Please check that you are on mute and your video is off.
- This workshop will be recorded.
- Workshop resources (slides, recording, etc.) will be distributed after the workshop.

Workshop #3

Advanced Research Procurement

Nathan King

Senior Procurement Officer, Research Portfolio, Procurement Services

Wednesday, April 6, 2022, 10:30am - 12:00pm

Land Acknowledgement

"I (we) wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional land of the Huron-Wendat, the Seneca, and the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land."

Access Check

- Access is a shared responsibility between everyone in this workshop.
- If there is anything (presenter screen, sound, general tech issues) that may affect your participation in this session, please use the Zoom chat to send a private chat message to **Abigail Warnock**

Ice Breaker



AGENDA

- Procurement Review
- Advanced Procurement Topics
 - Taxation Rates
 - Foreign Exchange
 - Payment Schedules
- Case Studies
- Social Procurement Pilot

Procurement Review

- Competitive Bid Requests over 100K
- Planning and Timing
- Procurement Services Website

University of Toronto Procurement Policy

Procurement Method	Informal (1 Written Quote)	Invitational (2 Written quotes)	Invitational (3 Written quotes)	Open (Tender Call / RFX)
Goods	Up to \$9,999	\$10,000 - \$49,999	\$50,000 - \$99,999	\$100,000
Non-consulting Services	Up to \$9,999	\$10,000 - \$49,999	\$50,000 - \$99,999	\$100,000
Consulting Services	N/A	N/A	Up to \$99,999	\$100,000
Construction	Up to \$9,999	\$10,000-\$49,999	\$50,000 - \$99,999	\$100,000
Procurement Authority	Local Unit	Local Unit	Local Unit	Procurement Services

Invitational Procurement

- Best Practices
 - Review Budget and Total Cost of Ownership
 - Document Requirements for all Suppliers
 - U of T Invitation to Quote (ITQ) Form
 - Supporting Documentation

Advanced Procurement

- Taxation
 - The Harmonized Sales Tax (HST) applies to the majority of goods and non-employment services purchased by the University.
 - What portion of the HST should be accounted for in your Budget
 - The Effective tax rate
 - Purchase of Goods and Services for consumption in Ontario (3.41%)
 - What about if the Supplier doesn't collect HST?
 - The University will self-assess the HST.

Advanced Procurement

- Foreign Exchange Rates
 - Which Exchange rate do you use to evaluate Quotes?
 - Ask for the quotations to be provided in CAD\$
 - If not possible, use the Fx Rate from the day the Quotations are received
 - Which exchange rate will hit the Client's Budget
 - The date that the PO is created in FIS

Advanced Procurement

- Payment Schedules
 - The University's standard payment schedule is:
 1. Upon receipt and acceptance of Goods
 2. Upon completion of Services
 - How to deal when a supplier's payment schedule:
 1. Are Deposit's acceptable?

Advanced Procurement

- Negotiation Best Practices
 - Default is the University's Standard Terms and Conditions
 - Risk Management Approach
 - Benefit to the University
 - Approval of Changes

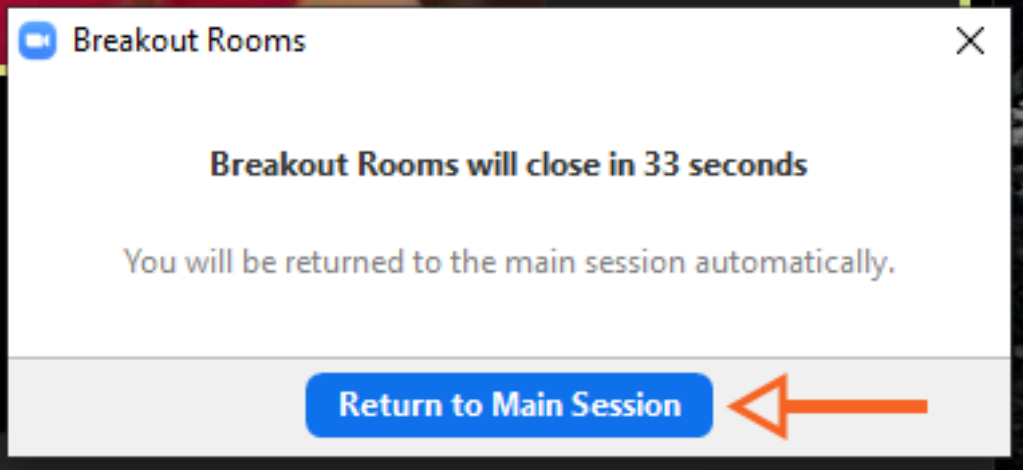
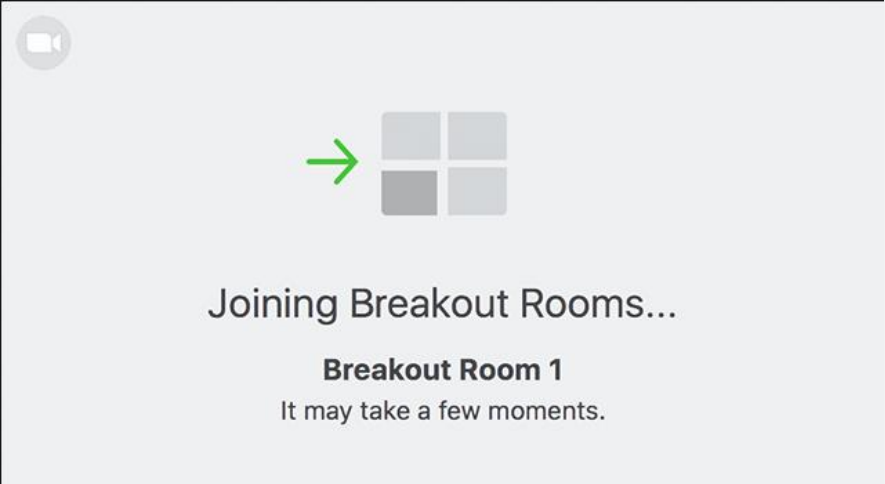
Poll Questions



Case Studies & Group Discussion

- Get ready! You will now have a chance to implement your new knowledge.
- Breakout room = Two to three other colleagues.
- In the breakout: Unmute yourself, turn on your video, introduce yourselves and discuss the case study.
- After each case study, we will discuss each scenario together.

Breakout Rooms



Case Study #1

Your lab is buying a new Microscope. The Principal Investigator (PI) would like to proceed with Supplier B as it provides the best value based on the requirements included in the Invitation to Quote (ITQ). You would like to proceed with their quote.

You have a budget of \$75,000 CAD including taxes. How do you proceed?

Case Study #1

Items	Supplier A	Supplier B
Microscope	\$70,000	\$68,000
Warranty/Service	\$1,000	\$6,000
Delivery	\$1,000	
Total Cost	\$72,000 CAD	\$74,000 CAD

Case Study #2

You are procuring a specialized mass spectrometer that is only sold outside of Canada. You have a budget of \$85,000 CAD including taxes. None of the Suppliers can accept payment in CAD and none of the Suppliers are registered to collect HST. The PI would like to proceed with Supplier Z based on their requirements that were included in the ITQ.

There are no import duties for this mass spectrometer.

You've received the following three quotes. How do you proceed? What are the main considerations?

Case Study #2

Items	Supplier X	Supplier Y	Supplier Z
Mass Spectrometer	\$65,000	\$64,000	\$67,000
1 year – Warranty	\$2,000	\$1,000	\$2,000
Delivery	\$1,000	\$1,000	\$3,000
Total Cost	\$68,000 USD*	\$66,000 USD*	\$72,000 USD*
Payment Schedule	Delivery: 20% Acceptance: 80%	Acceptance: 100%	Deposit: 30% Delivery: 10% Acceptance: 60%

*USD to CAD Exchange rate is 1.25.

\$1 USD = \$1.25 CAD

Social Procurement Pilot

Every purchase has an economic, environmental, and social impact, whether intended or not. Leveraging social value from purchasing can have a powerful and positive ripple effect on our communities.

To join the effort in building a more sustainable and thriving community, the University of Toronto is conducting a Social Procurement Pilot.

This one-year pilot will connect participating faculties and departments with diverse suppliers such as social enterprises, equity-deserving and local suppliers.



Question & Answer

Upcoming Workshops

STAR Networking: Cultivate Your Connections

Tues, May 10
10:00 – 11:00 am

My Research Funds: A Makeover for MROL and FReD

Save the Date!
May 26, 10:00 – 11:00 am

Internal Audit

June TBD

Feedback, please!



Thank you!