

Approval Date: June 21, 2010

Most Recent Editorial Date: August 8, 2012

Parent Policy: [Supply of Goods and Services Policy](#)

Standing Purchase Order System Procedure

Office of Administrative Responsibility:	Supply Management Services
Approver:	Associate Vice-President (Finance & Supply Management Services)
Scope:	Compliance with this university policy/procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B).

Contact for questions about this procedure:	SMS Customer Service 780-492-4668 customerservice@sms.ualberta.ca
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Overview

Standing Purchase Orders are used in instances where purchases cannot be made using the Corporate Purchasing Card or a Preferred Supplier Agreement and are end user University unit specific. Standing Orders provide a procurement method for repetitively purchased, lower dollar value goods and services during a specific period (typically the University's Fiscal Year)

Purpose

The purpose of this procedure is to specify the process to be followed in placing a Standing Purchase Order for goods and services.

PROCEDURE

1. INITIATING A STANDING PURCHASE ORDER

a. Submit a completed Purchase Requisition to SMS clearly indicating the goods and services to be purchased, the estimated annual usage (both in quantity and dollar amount) and ensure that the supplier's legal name has been used. The Purchase Requisition is the authorization to initiate the procurement process; it enables a Standing Purchase Order to be generated and provides the speed code and account number to be entered into the financial accounting system.

b. Proposed purchases in excess of the *Competitive Bid Thresholds* are subject to a competitive bid process as outlined in the *Competitive Bid Procedure*.

c. A Standing Purchase Order will normally be issued on a yearly basis and is subject to review (renewal or cancellation) annually.

d. All requisitions must be made in strict compliance with all sponsor terms and conditions and the University's policies and procedures.

e. Certain transactions may fall under the non-resident tax legislation and may be subject to withholding of tax. In accordance with the provisions of the Income Tax Act (Canada), the University will withhold and submit 15% of the fees charged on each invoice for services performed in Canada by non-resident unless the contractor obtains from Canada Revenue Agency a waiver or reduction in the amount to be withheld.

2. CHANGES TO A STANDING PURCHASE ORDER

Any revisions/corrections to a Standing Purchase Order must be done by way of a *Change Order Draft*.

3. PURCHASING AND SIGNING AUTHORITY

Requisitions must be authorized in accordance with the *University Signing Authority and Delegation of Signing Authority Policy – All Funds* and the *Signing Authority and Approval Procedure*.

4. EQUIPMENT ASSETS

The University requires units to track equipment assets with an acquisition value of \$5000 or greater and any portable items under \$5000 the unit deems necessary as prone to loss or theft. Refer to the *Asset – Equipment Register Procedure*.

DEFINITIONS

There are no definitions for this Procedure. [[▲Top](#)]

FORMS

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[Change Order Draft](#)

RELATED LINKS

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[Asset – Equipment Register Procedure](#) (UAPPOL)

[Competitive Bid Thresholds](#) (University of Alberta)

[Competitive Bid Procedure](#) (UAPPOL)

[Signing Authority and Approval Procedure](#) (UAPPOL)

[Signing Authority and Delegation of Signing Authority Policy – All Funds](#) (UAPPOL)