

**Approval Date: April 1, 2003**
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## Outsourcing Policy

<b>Office of Accountability:</b>	Office of the Vice-President (Finance and Administration)
<b>Office of Administrative Responsibility:</b>	Office of Resource Planning
<b>Approver:</b>	President's Executive Committee (PEC)
<b>Scope:</b>	Compliance with this University-wide policy extends to all members of the University community.

### Purpose

This Policy ensures that the development and implementation of any proposal to outsource operating units or functions currently performed by University staff is carried out in a rigorous, transparent, consultative manner that ensures the University's best interests are served.

### POLICY

1. In the service of its mission and goals, the University of Alberta continuously explores and, where appropriate, implements organizational changes that improve efficiency and effectiveness. The University will consider outsourcing of operating units or functions currently performed by University staff where such outsourcing could improve efficiency and effectiveness and allow the University to dedicate itself to its core mission of teaching, research, community service and the administrative support of that mission.
2. The University will approach outsourcing with care and due diligence. Proposals to outsource will include a rigorous cost benefit analysis that takes into account both economic factors and potential impacts on affected staff and **constituencies**. The University will approve proposals to outsource only where the proposal is supported by a clear and achievable **business case**.
3. A decision to outsource has implications for the entire University community, including relations with the staff associations and external constituencies. For this reason, final decisions relating to outsourcing will be made by the President's Executive Committee (PEC).
4. When considering a proposal for outsourcing PEC will ensure that:
  - a. Effective, appropriate consultation occurs with affected constituencies and in particular with the staff associations whose members may be affected.
  - b. Serious consideration is given to alternatives to outsourcing, including those put forward by staff associations and other affected constituencies.
  - c. Full consideration is given to opportunities for alternative employment of affected staff.
  - d. Proposals are developed and implemented in accordance with all Board of Governors and General Faculties Council Policies and applicable collective agreements.
  - e. Complete information on the business case for outsourcing, including detail of the advantages and disadvantages of all options considered, is provided to staff associations and other affected constituencies.

f. Any consideration to outsource is supported by a clear and rigorous business case from which a **business plan** can be developed that details all aspects of implementation which is reflected through a request for proposals process that the business case is achievable.

g. A rigorous evaluation process is implemented to determine the success of the outsourcing should the proposal be approved.

5. This Policy applies to any consideration to outsource operating units or functions currently performed by University of Alberta staff on an ongoing basis. It does not apply to the use of contracts for service that may be entered into from time to time to supplement or support continuing University activities.

## **DEFINITIONS**

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [\[▲Top\]](#)

<b>Constituencies</b>	Anyone within the University community who could be directly affected by the decision.
<b>Business Case</b>	A business case is an objective analytical assessment of how to best address a defined business opportunity or problem. The analysis includes an assessment of business impacts, risks, and costs/benefits of various viable alternatives. In the context of a decision being made based on a business case, this objective analysis would provide the justification of the particular decision.
<b>Business Plan</b>	<p>A business plan is a detailed plan reflecting the implementation of a chosen business case alternative that ensures conformity with the requirements of relevant collective agreements and University policies. The Business Plan will include, but is not limited to, the following elements:</p> <ul style="list-style-type: none"> <li>- full details of the business case for outsourcing,</li> <li>- a draft request for proposals (RFP),</li> <li>- a plan for addressing potential human resource impacts, and</li> <li>- a plan for evaluating the effectiveness of the outsourcing should it be approved.</li> </ul>

## **RELATED LINKS**

Should a link fail, please contact [uappol@ualberta.ca](mailto:uappol@ualberta.ca). [\[▲Top\]](#)

There are no related links for this policy.

## **PUBLISHED PROCEDURES OF THIS POLICY**

[Outsourcing Procedure](#)