

## PURCHASING

## - POLICY -

The purchasing function serves the school district through the procurement of supplies, materials, equipment and services in an economical and efficient manner. Purchasing requires a well-planned process that recognizes fairness to suppliers, the needs of the school district and the principles of sound financial management.

The authority to enter into contracts on behalf of the board for the supplies, materials, equipment and services required by the school district is granted to the secretary-treasurer.

All employees involved in purchasing are expected to exercise sound judgment in situations that are not covered by the policy. The board requires all purchases:

1. Effectively meet the needs of the school district;
2. Provide the best value for money expended;
3. Fall within the framework of budgetary limitations; and
4. Are consistent with the goals and programs of the school district.

Fair and ethical consideration will be given to all responsible suppliers. The board, the superintendent or the secretary-treasurer may determine whether a supplier is responsible or not.

Sealed tenders or quotations will be solicited for all purchases except as provided for in the regulations.

Unauthorized purchases or commitments using school district funds are not permitted (School Act, Section 163) and as such, they will be the responsibility of the person making the purchase or commitment.

Unless prior board approval is obtained, no purchases using school district funds are to be made from an employee, a trustee or from a member of an employee's or trustee's household, or from an enterprise in which an employee or trustee holds a substantial interest.

## PURCHASING - REGULATION -

### 1. General

In the solicitation of prices, the secretary-treasurer may require the invitation of sealed tenders when the value of the purchase is such that the tendering process is administratively justifiable. The board may require the invitation of sealed tenders if it believes the public interest so requires. Appropriate district staff, in consultation with the school or department concerned, will invite sealed tenders in accordance with section 3 of the regulation.

If sealed tenders are not required, the principal or manager originating a purchase is required to invite quotations in accordance with section 4 of the regulation. Assistance and advice in this regard can be obtained from the secretary-treasurer if necessary.

To help achieve pricing advantages, the board encourages quantity purchasing, and purchasing to meet the annual requirements of an item or service. The board encourages purchasing jointly with other authorities if it is beneficial to do so. In undertaking major purchases, the board encourages purchasing staff to conduct research with other school districts and to fully discuss the district's needs with suppliers. Meetings with suppliers and supplier demonstrations may also be employed.

### 2. Specifications

The supplies, materials, equipment or services to be purchased will be of the quality required to serve the intended function in a satisfactory manner. In developing specifications for supplies, materials, equipment and services, the board expects that advice and expertise will be solicited from knowledgeable staff members. Specifications are to be written in an understandable and broad manner to allow for adequate competition and to ensure that the desired level of quality is attained. Specifications may refer to particular makes or models of an item, but only as examples that acceptably meet the district's requirements.

### 3. Tenders

Invitations to tender will be advertised in the local paper, and in major papers if deemed necessary. Suppliers may also be notified directly in order to assure an acceptable level of competition.

Normally, there will be a minimum 14-day tender period, which will increase to 30 days or more for large or complicated tenders. Bid bonds may be required. Site visits or product demonstrations are encouraged. Bids will normally be irrevocable. Suppliers will be required to place tenders in sealed, marked envelopes. Tenders received after the closing time and date will be returned unopened.

After bids are closed, no further tenders will be accepted. After noting the number of tenders received, the tenders will be opened at the district administration office by the secretary-treasurer (or designate) and at least one staff member or consultant.

Once opened, tenders received in the form prescribed will be initialed, checked to ensure that a bond is included, and prices announced. Tenders not in the proper form will be declared invalid. Prices are recorded on the tender opening record form.

The tenders are then tabulated and analyzed by appropriate personnel or consultants and a recommendation is forwarded to the secretary-treasurer.

#### 4. Quotations

If sealed tenders are not required, the board expects that written quotations be invited from a minimum of three responsible suppliers. In urgent situations, verbal quotations may be solicited, provided suppliers confirm the quotations in writing. All responsible local suppliers should be given an opportunity to provide quotations.

A supplier may no longer be invited to provide quotations if that supplier cannot meet required specifications, or if promised delivery dates for previous orders were not met or if there is some other cause deemed serious enough by the superintendent of schools or the secretary-treasurer. The supplier has the right of appeal to the board.

All quotations received in the prescribed form by the due date are to be tabulated and analyzed by appropriate personnel or consultants and a recommendation is to be forwarded to the secretary-treasurer.

#### 5. Selection of Successful Supplier

The secretary-treasurer may award a contract to a supplier, provided the requirements of this policy and its regulations are met and the approved budget for the contract is sufficient. The secretary-treasurer may refer any tender or quotation to the board for consideration or decision prior to the award of a contract.

The board reserves the right to reject any or all tenders or quotations if pricing or other reasons make the purchase inadvisable. A contract will normally be awarded to the supplier with the lowest tender or quotation price (including taxes and freight) provided the supplier meets the requirements of the school district. The following requirements should be met or exceeded by suppliers:

- a) Specifications (suitability and quality of product or service);
- b) Delivery date (delivery on or before required date);
- c) Value-added benefits (after-sales support or service, price guarantees, warranties);
- d) Low additional costs (additional training, maintenance or hidden costs);
- e) Adherence to legislation and board policies (e.g. W.C.B. Regs., health and safety);

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If price, and the ability to meet the above requirements are equal or nearly equal, a supplier may be chosen based on how well it meets the following requirements:

- a) Supplier location (local, B.C. and then Canadian suppliers may be given preference, in that order);
- b) Uniformity or standardization with existing products or services; and
- c) Past record in previous dealings with supplier (references, reputation).

Consideration may be given to alternate proposals from suppliers that are equal to, or better than the requirements. If all tenders or quotations exceed the available budget, the secretary-treasurer is authorized to negotiate price reductions with the lowest qualified supplier. If negotiations are impracticable or unsuccessful, all tenders or quotations will be rejected and the suppliers so notified. In such cases, the specifications or other requirements may be revised and new tenders or quotations called. In the case of tenders, results are to be reported at the next regular board meeting and the name of the successful supplier should be communicated to all bidders.

## 6. Special Situations

At the discretion of the secretary-treasurer, the requirement to invite tenders or quotations may be waived or modified, in each of the following situations:

- a) The product or service costs less than \$1,000;
- b) No alternative sources of supply exist;
- c) A standing offer negotiated by the Province is in effect for the product or service;
- d) An emergency that involves the destruction or impairment of property e.g., flood, fire, or power/heat/water problems etc.;
- e) A justifiable need exists to purchase a specific product or utilize a specific service-provider;
- f) Other exceptional circumstances, with a full report to the Board at its next regular meeting.

If competitive quotations are not obtained, it is expected that negotiations will occur with the supplier to ensure that the Board's interests are protected.

## 7. Purchase Orders

After ensuring that a purchase complies with the provisions of this policy and regulations, a purchase order is signed by the school principal or department manager. The purchase order is then sent to the secretary-treasurer for approval. After approval, the purchase order is numbered and the original will be provided to the supplier. A copy will be returned to the originator.

An approved purchase order is required prior to purchases or commitments being made, except in the following cases:

- a) A petty cash purchase of less than \$100;
- b) A purchase of maintenance supplies, materials or services of less than \$250, by a local purchase order, with the approval of the manager of maintenance services;
- c) A purchase of transportation supplies, materials or services of less than \$250, by a local purchase order, with the approval of the manager of transportation services;
- d) A purchase of supplies, materials or services of less than \$2,000, by a purchasing card, with the approval of a principal or manager;
- e) A purchase of supplies, materials or services by a corporate credit card with the approval of the superintendent or secretary-treasurer;
- f) An approved cheque requisition or travel claim form, completed in accordance with Board policy and regulations;
- g) An expense authorized under a written contract or agreement approved by the board.

Open purchase orders for amounts not to exceed \$1,000 may be approved at the discretion of the secretary-treasurer. It is acceptable to use an open purchase order when several small purchases are made from one supplier over several months.

If a bona fide emergency situation exists, the secretary treasurer may permit the release of a purchase order number over the telephone, subject to subsequent confirmation by an approved purchase order.

All purchasing card users must sign a Purchasing Card Agreement prior to using the card. Purchasers using purchasing cards or corporate credit cards are required to maintain a log of all expenditures. A copy of the log and originals of all receipts must be submitted promptly to accounts payable along with the monthly statement.

## 8. British Columbia-Alberta Trade, Investment and Labour Mobility Agreement (TILMA)

The British Columbia-Alberta Trade, Investment and Labour Mobility Agreement (TILMA) applies to the board as of April 1, 2009. TILMA requires the board to conduct non-discriminatory procurement and to avoid discriminating in favour of local goods and services.

Procurement levels applicable to the board are: \$75,000 for goods, \$75,000 for services and \$200,000 for construction. Advertising must be posted on BC Bid or any other electronic system if the TILMA threshold is reached. Other supplemental means of advertising may be used in addition to BC Bid or any other electronic system.

There are Procurement Exceptions under TILMA:

- a) Treasury Services (the procurement of certain financial products and services);
- b) Procurement from non-profits;
- c) Only one supplier that meets the requirements;
- d) Unforeseeable situation of urgency;
- e) Confidentiality;
- f) Lawyer and notary services.

The following procurement tools are still allowed under TILMA provided they are non-discriminatory:

- a) Pre-qualified lists of suppliers;
- b) Purchasing co-ops, buying groups;
- c) Long-term supply contracts;
- d) Specifications for service (e.g., time, maintenance).