



### BACKGROUND

### PURCHASING

Purchases of materials, supplies, and equipment by the Board are to be made in accordance with principles and procedures designed to acquire best value for the school division.

### PROCEDURES

#### 1. *Definitions*

The following definitions are cited to ensure consistent interpretation:

- *Formal Tender*—A process requiring the tender to be advertised in the local newspaper(s) and tender opening to be made publicly.
- *Request for Proposal*—A formal process for obtaining offers from competing organizations and evaluating those proposals against stated requirements, using a predefined evaluation process and a predefined set of evaluation criteria in which price is not the only factor.
- *Written Quotation*—A process requiring selected vendors to submit written quotations, not required to be opened publicly.
- *Purchase Order*—A legal contract between the school division and a vendor that gives the vendor authority to ship and charge for the goods specified in the order.
- *Standing Purchase Order*—A contract that provides for a vendor to supply specified products or services for a specified period of time with actual requirements to be determined, requested, and delivered when and as required.

#### 2. *Processing Purchases*

a) Formal tendering is required when:

- The Director of Education, or designate deems it to be in the best interests of the school division; or
- It is a requirement of *The Education Act, 1995*.
- It is a requirement of the *New West Partnership Trade Agreement, 2010* for goods, services and construction.

It is expected that all requirements for goods and services purchased through the formal tender process will be ordered by the schools and Central Office at the time of the formal tender.

The lists of goods and services to be obtained through the formal tender process is to be subject to an annual review to determine items of inferior quality and/or items to be added or deleted.

The Superintendent of Business Administration has the lead responsibility for conducting formal tenders.



- b) A formal request for proposal process is used when the purchase is not solely a product or commodity, but is more in the nature of a solution to a problem or need where the solutions are expected to be quite varied and/or difficult to evaluate or cost is not the only selection criterion.
- c) A minimum of three (3) written quotations should be requested when:
  - The value of the item is expected to be between \$5,000 and \$75,000; or
  - The Director of Education or designate deems it to be in the best interests of the school division.
- d) Goods and services up to an aggregate cost of \$5,000 may be purchased directly by budget managers. A purchase order is required when the goods are purchased by the budget manager. Goods obtained through the formal tender process are excluded from this authority. A purchase order is not required when a purchase card is used or when a service is purchased.

Purchase Orders are a legal contract with the vendor and are required as follows:

- All school (decentralized and school generated fund accounts) and division office purchases greater than \$1,000, when a purchase card is not used.
  - Transportation and facilities department purchases greater than \$3,000.
- e) For purchases not requiring a PO (purchases less than \$1,000 from the school or division office, or less than \$3,000 from transportation and facilities), authorization for payment will be indicated by an authorizing individual signing the invoice. An authorizing individual must be identified on the 'Designated Signing Authorities' document.

In those cases where the tender or quotation process is utilized, consideration is to be given to process, quality, and the supplier's reputation, as evidenced by previous performance and service.

Where no competitive supply market exists, or it is considered in the best interests of the Board, purchasing practices are to employ such value analysis and negotiation methods considered appropriate for obtaining acceptable materials at the lowest possible price.

Purchasing processes, forms, and services are to be utilized only for authorized school division business.

No school division employee utilizing purchasing processes is to accept any gift or benefit, whether in the form of goods, services, loans, or favours, from any individual, organization, or corporation which is interested directly or indirectly in dealings with the Board, subject to normal exchange or hospitality between persons doing business together.

### 3. *Responsibilities and Authorities*

- a) The Board of Education provides approval for award of tenders for all major capital construction.



- b) The Board of Education provides approval for tangible capital expenditures for motor vehicles, furniture and fixtures, equipment and computer hardware and software, as well as minor renovations and Preventative Maintenance and Renewal items through the budget approval process.
  - 1. Any tangible capital asset items purchased through *Formal Tender, Written Quotes or Requests for Proposal* that were not included in budget or exceed budget by more than 10% require approval by the Director or designate.
  - 2. Any purchases with a budget variance greater than the Director limitations require board approval in accordance with **ADMINISTRATIVE POLICY 702 - BUDGET**.
- c) The Superintendent of Business Administration is responsible for purchasing practices and procedures.
- d) The Superintendent of Business Administration has the authority to revise requisitions according to established standards, provided such revisions are discussed with the requisitioner.
- e) Purchases may be authorized only by budget managers, namely the Director of Education, Superintendents, Supervisors, Coordinators, Principals, Consultants, and other designated managers as identified on the 'Designated Signing Authorities' document.

*Education in a Culture of Excellence*

Last Revised: June 2016