

POLICY

No. B.30

PURCHASING AND TENDERING

*Adopted: 09-01-13
Reviewed: 11-11-08
Reviewed: 12-10-09
Reviewed: 14-01-13
Reviewed: 15-01-12
Reviewed: 15-10-13
Reviewed: 16-10-11
Reviewed: 17-10-10*

Policy

The Board of Education of School District 84 (Vancouver Island West) authorizes and assigns responsibility for purchasing and tendering to the Superintendent of Schools/Secretary-Treasurer, or his/her designate.

It shall be the policy of the Board to purchase the most appropriate services, products, commodities, and equipment for the purposes envisaged, based on the quality and cost of the particular product. The Board believes in purchasing competitively and seeking maximum educational value for every dollar expended, consistent with good purchasing practices.

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Regulation

1. Procedures and Guidelines

- a. All services, supplies, commodities, or equipment required for the ongoing operations of the School District are acquired on the open market with probity and in accordance with competitive public sector purchasing practices.
- b. Whenever possible, the tender that provides the best economic value is to be accepted consistent with equal quality and the ability of the bidder to supply the requirements in a reasonable period of time. In exceptional circumstances, the Superintendent of Schools/Secretary-Treasurer may authorize acquisition from a sole source. These exceptional circumstances would involve an urgent requirement to:
 - protect and ensure the safety of students and staff;
 - protect the School District assets;
 - prevent a serious financial loss to the District.
- c. In determining the best economic value, the following factors will be considered:
 - price;
 - quality;
 - ability to meet product specifications;
 - ability to provide service and warranty support (including past performance);
 - availability of replacement parts.
- d. In all purchasing transactions, authorized employees of the Board of Education of School District 84 (Vancouver Island West) will:
 - consider the interest of the school system and the improvement of its educational program;
 - consider all responsible bidders equally when determining whether their product meets specifications and the educational needs of the school system;
 - decline gifts that might in any way influence the purchase of school supplies and equipment;
 - refrain from soliciting funds or material from vendors, however worthy the purpose;
 - refrain from asking for special discounts or prices on items purchased from School District suppliers for personal use.
- e. The Board may authorize the Superintendent of Schools/Secretary-Treasurer to develop specific educational partnerships that result in the provision of unique products or services to support educational programs, at a reduced cost to the District.

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- f. The Board authorizes the Superintendent of Schools/Secretary-Treasurer to pursue improved efficiencies and economies through cooperative ventures with other public sector agencies. The success of these joint initiatives will depend, in part, on achieving a level of standardization in supplies and services.
- g. The Board delegates to the Superintendent of Schools/Secretary-Treasurer a spending authority of up to \$50,000 on any single item purchased. Any single transaction expenditures exceeding \$50,000 will be referred to the Board for approval.

(Note: These single transaction limits do not include utilities expenditures; e.g. telephone, natural gas, and hydro. These single transaction limits are pre-tax amounts.)

- 2. The Superintendent of Schools/Secretary-Treasurer may delegate to the appropriate personnel the authority to purchase goods and services. The operating units are encouraged wherever possible to cooperatively purchase; that is, to take advantage of quantity discounts.

3. **General Guidelines:**

- a. All items purchased, or donated, in the name of a school or the School District will become the property of the Board of Education of School District No. 84 (Vancouver Island West).
- b. Where practicable, the Superintendent of Schools/Secretary-Treasurer or his/her designate will coordinate "bulk purchases" for various commodities.
- c. Use of the District's purchasing procedures to acquire goods and services for personal use will not be permitted except where specifically allowed by the Superintendent of Schools/Secretary-Treasurer.
- d. Whenever practicable, equipment and supplies will be standardized to achieve maximum purchasing economy and quality goods. Consideration will be given to future maintenance of equipment and availability of parts and services.
- e. The purchase of any item or product from any person employed by the School District will not be in effect until the purchase has been approved by the Superintendent of Schools/Secretary-Treasurer.
- f. All contracts must be signed by the Superintendent of Schools/Secretary-Treasurer.

4. **Purchasing Methods**

The School District utilizes various purchasing tools for the acquisition of goods and services as follows:

- a. *Petty Cash* – used at the user level to expedite the acquisition of low value goods not to exceed \$100.00 (excluding taxes) per single transaction. A petty cash fund can be established by contracting the Superintendent of Schools/Secretary-Treasurer or his/ her designate.

Receipts must be attached to a petty cash voucher by the custodian in charge of the petty cash. The petty cash voucher must be signed by the custodian of the petty cash, and signed by the custodian's immediate supervisor. The petty cash voucher shall be submitted to the Finance Department to be approved by the Superintendent of Schools/Secretary-Treasurer or by his/her designate prior to reimbursement by Accounts Payables.

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- b. *School Trust/Bank Account (Self Generated Funds)* - used at the school level to expedite the acquisition of goods and services. The School Trust/Bank Account is the responsibility of the school Principal. The School Principal may delegate the duties of financial record keeping, receipting and disbursing fund to an individual of his/her choice.

Disbursement of funds to purchase goods and services shall be made with cheques. The cheque must be signed by two (2) authorized signatures.

In some instances, funds disbursed from the School Trust/Bank Account may be reimbursed by the School District. Receipts must be attached to a cheque requisition by the custodian in charge of the School Trust/Bank Accounts. The cheque requisition must be signed by the custodian, and signed by the custodian's immediate supervisor. The cheque requisition shall be submitted to the Finance Department to be approved by the Superintendent of Schools/Secretary-Treasurer or by his/her designate prior to reimbursement by Accounts Payable.

- c. *Purchasing Cards (Procurement Cards)* – used for the procurement and payment of goods and services within established purchasing authorization limits, where it is efficient, economical and operationally feasible to do so. With the written approval from an employee's Principal, or Supervisor, an employee may make application to the Superintendent of Schools/Secretary-Treasurer or his/her designated Purchase Card Administrator for a Purchasing Card.

The Purchasing Card may only be used by the person named on the front of the card. Single transactions limits are set at \$1,000 (pre tax amount). In consultation between an employee's Principal/Supervisor, with the Superintendent of Schools/Secretary-Treasurer or the Purchase Card Administrator, a cardholder's single transaction limit may be increased to \$1,500 or \$2,000 (pre tax amount).

On a monthly basis, the Finance Department will forward a Monthly Purchasing Card Statement to each cardholder. The cardholder must attach the receipts to the Monthly Purchasing Card Statement, and ensure the GST amount and General Ledger Account attached to the transaction is correct. The Monthly Purchasing Card Statement must be signed by the cardholder's immediate supervisor. The Monthly Purchasing Card Statement must be returned to the Finance Department seven business days after the statements are issued, and must be approved by the Superintendent of Schools/Secretary-Treasurer or by his/her designate. The Finance Department will process payment to the Financial Institute each month (refer also to Purchasing Card Procedure Manual).

- d. *Cheque Requisitions* – used to request payment for goods and/or service where an invoice has been received and a purchase order was not issued (i.e. subscriptions, dues, or fees, etc). Cheque requisitions are not to be used to circumvent the Purchase Requisition/ Purchase Order process.

Receipts, invoice or order form must be attached to the Cheque Requisition by the employee. The Cheque Requisition must be signed by the employee, and signed by the employee's immediate supervisor. The Cheque Requisition must be submitted to the Finance Department to be approved by the Superintendent of Schools/Secretary-Treasurer or by his/her designate prior to reimbursement by Accounts Payables.

Any cheque requisition with a single transaction greater than \$50,000 must also be approved by the Board, prior to reimbursement by Accounts Payable.

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- e. *Purchase Requisition/Purchase Order* – used for the purchase of goods and services. All purchase orders must be signed by the appropriate personnel (Principal/Supervisor) responsible for an operating unit, and by the Superintendent of Schools/Secretary-Treasurer or by his/her designate. In no case will a purchase order be honoured without the signature of the Superintendent of Schools/Secretary-Treasurer or his/her designate. Any purchase order greater than \$50,000 must also be approved by the Board prior to the purchase order being sent to the vendor.

The approved purchase order will be mailed or faxed to the vendor to enact to supply the goods or service as stated in the purchase order. Upon completion of the order, the vendor will send an invoice to the Finance Department for payment.

If the invoice received from the vendor is the same amount, or within 10% or \$100 of the purchase order, the Finance Department will process payment to the vendor without additional approval. If the invoice received from the vendor is greater than 10% or \$100 of the purchase order, additional approval from the requisitioner's Principal/Supervisor must be received prior to processing the payment to the vendor.

- f. *Standing Purchase Order* – used to make purchases from a sole source vendor over a period of time (usually the school fiscal year) for supplies or services (i.e. building supplies, food distributor, office supplies, etc.). All standing purchase orders must be signed by the appropriate personnel (Principal/Supervisor) responsible for an operating unit, and by the Superintendent of Schools/Secretary-Treasurer or by his/her designate. In no case will a standing purchase order be honoured without the signature of the Superintendent of Schools/Secretary Treasurer or his/her designate. Any standing purchase order greater than \$50,000 must also be approved by the Board, prior to the standing purchase order being sent to the vendor.

The approved standing purchase order will be mailed or faxed to the vendor. An employee may purchase goods or services from the vendor quoting the standing purchase order. Upon completion of the requested order, the vendor will send an invoice to the Finance Department for payment. The invoice received from the vendor by the Finance Department will be forwarded to the requisitioner's Principal/Supervisor for approval prior to processing the payment to the vendor.

- g. *Systems Contract* – for goods or services to be supplied over a period of time at a fixed or negotiated price (i.e. equipment leases, garbage disposal, etc.). An encumbered amount with start and end dates will be established for the System Contract. All system purchase orders must be negotiated by the Superintendent of Schools/Secretary-Treasurer or by his/her designate. Any system contracts greater than \$50,000 must also be approved by the Board, prior to the system contract.

The approved systems contract will be sent to the vendor for the vendor to enact on the requirements stated in the systems contract. Based on the terms of the system contract, the vendor shall forward an invoice to the Finance Department for payment.

If there is no deviation between the invoice and the system contract, payment to the vendor will be processed without additional approval. If there is a deviation between the invoice and the system contract, additional approval from the Superintendent of Schools/Secretary-Treasurer or his/her designate must be received prior to the processing of payment.

5. Purchasing Procedures

- a. The Superintendent of Schools/Secretary-Treasurer may assign to his/her designate the authority to sign purchase orders in accordance with the procedure outlined in this policy.

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- b. The Superintendent of Schools/Secretary-Treasurer shall assign to individual employees the authority to initiate expenditures from accounts specifically assigned to them. When the total purchase cost of a single unit or group of units, or a service, is estimated to be:
 - i. Up to \$1,000 (pre tax amount), the purchase shall be made by comparative selections unless made from a previous supplier. Purchases are to be completed by the end user by one of the following methods: "Purchasing Cards", "Purchase Orders", or "Cheque Requisitions". Where convenient "Petty Cash" can be used to complete purchases of items up to \$100. Purchases will be authorized by the Superintendent of Schools/Secretary-Treasurer or by his/her designate.
 - ii. Purchases from \$1,000 to \$10,000 (pre tax amount), the purchase shall be made by selecting the lowest bid from unlimited public tenders, invited quotations or it shall be made by negotiation with a designated supplier. Purchases are to be completed by the end user by one of the following methods: "Purchase Orders", or "Cheque Requisitions". Purchases will be authorized by the Superintendent of Schools/Secretary-Treasurer or by his/her designate.
 - iii. Purchases from \$10,000 to \$25,000 (pre tax amount), written quotations will be requested from known reputable suppliers of a particular goods and/or services. Purchases are to be completed by the end user by using a "Purchase Order". These purchases must be approved by the Superintendent of Schools/Secretary Treasurer prior to initiating the order with the vendor.
 - iv. (Note: Processing of utility invoices does not require prior approval from the Board for processing of payment to the supplier. These would include telephone, hydro and natural gas.)
 - v. Purchases greater than \$25,000 (pre tax amount), a "Tender" or "Request For Proposal" will be written by the Superintendent of Schools/Secretary-Treasurer or by his/her designate, and will be sent to competing suppliers. The "Tender" or "Request For Proposal" must be approved by the Superintendent of Schools/Secretary-Treasurer prior to initiating the order with the successful vendor. The Superintendent of Schools/Secretary-Treasurer will notify the Board as to the results of the "Tender" or "Request For Proposal".

6. Tendering or Request For Proposals

- a. All orders in excess of \$25,000 (pre tax amount) shall be tendered.
- b. All responsible bidders will be given equal consideration and assurance of unbiased judgments in determining whether their product or service meets specifications and the needs of the School District.
- c. Invitations to tender shall be mailed, couriered, or otherwise delivered to all suppliers from whom tenders have been received in previous circumstances, or to any other supplier.
- d. The Superintendent of Schools/Secretary-Treasurer will ensure that competition is maximized and that local vendors are given every reasonable opportunity to bid on School District contracts.
- e. All tenders or sealed bids will be opened in public in the presence of and signed by two staff members, one of whom must be the Superintendent of Schools/Secretary-Treasurer or his/her designate, or the Supervisor of Operations, recording the time and date opened.
- f. On occasion, only one bid may be submitted by tender closing time. The bid will not be opened unless the bidder agrees, in writing, that they accepts their bid may be rejected and that the tender may be re-tendered without any changes in the tender documents.

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- g. Information pertaining to the proposals will not be released until after the review process has been completed and the successful vendor has been identified.
- h. Tenders will be awarded to the lowest bid or quoted price, consistent with the required quality, service and safety standards. The School District reserves the right to accept or reject the whole or part of any tenders. The “Tender” must be approved by the Superintendent of Schools/Secretary-Treasurer and the Chairperson or Vice-Chairperson of the Board prior to initiating the order with the successful vendor. The Superintendent of Schools/Secretary-Treasurer will notify the Board as to the results of the “Tender”.

The Superintendent of Schools/Secretary-Treasurer or his/her designate will inform the successful vendor to the awarding of the tender. After the successful vendor has accepted the tender, then the unsuccessful vendors will be informed of the awarding of the tender to a competitive vendor.
- i. The Superintendent of Schools/Secretary-Treasurer will be consulted prior to awarding a tender to other than the low bidder.

7. **Suppliers and Vendors**

In considering qualifications and performance of suppliers and vendors, considerations will be given to:

- current Business licences and Canada Custom & Revenue Agency business number;
- minimum of \$1,000,000 (one million dollar) liability insurance;
- WSBC coverage (where applicable);
- reputation and experience;
- ability to deliver or perform within the time specified;
- ability to provide after sales’ maintenance and service;
- past experience on previous orders.