

BOARD OF EDUCATION

SCHOOL DISTRICT NO. 35 (LANGLEY)

POLICY MANUAL

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SUBJECT: PURCHASING

The Langley Board of Education recognizes its responsibility to the citizens of this community for the effective use of public funds in providing the best possible education to its children. The Board, in the performance of its duties assigned to it under the School Act, will ensure that supplies, services and equipment are obtained in a responsible, cost-effective and professional manner in accordance with competitive public sector purchasing practices.

Under the auspices of the Secretary Treasurer, the Purchasing Department will establish Purchasing Principles and Regulations that define procurement processes and spend limits.

APPROVAL AUTHORITIES

Approval is required from the Purchasing Department prior to any commitments made to order goods or services. The Purchasing Department is responsible for ensuring that prior to issuing a purchase order or executing a contract that the request has been approved by the appropriate authority as outlined in Administrative Procedure No. 3610 and use the attached regulations which outline the authorization limits regarding determination of supplier and the various systems, procedures and tools that can be used.

AUTHORITY TO SIGN CONTRACTS

The Secretary Treasurer or his/her designate in accordance with this policy is responsible for issuing and the signing of purchase orders and contracts on behalf of the School District in accordance with Administrative Procedure No. 3610.

Exemptions from this policy may be set by regulations or by resolution of the Board.

Purchasing Regulations are divided into the following sections:

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1. Purchasing Policy Principles

The goals and principles of the School District’s Purchasing Department are:

1. **Public Sector Purchasing Practices** – Purchase goods and services in accordance with competitive public sector purchasing practices recognized by the Purchasing Management Association of Canada.
2. **Ethical Purchasing** – Follow the guidelines set out in the code of ethics established by the Supply Chain Management Association of Canada.
3. **Efficient Procurement** – Procure the necessary quality and quantity of goods and services in an efficient, timely and cost effective manner, while maintaining the controls necessary for a public institution. Provide purchasing discretion and flexibility for the district, schools and departments within the granted authority and subject to optimizing best value for the school district as a whole.
4. **Open and Fair Bidding Process** – Encourage the most open bidding process practicable for the acquisition and disposal of goods and services taking into account trade agreements like TILMA and other applicable settlements negotiated by all levels of government; Provide reasonable opportunities for qualified suppliers and contractors to seek the school district’s business.
5. **Standardization and Simplification** – Establish and renew standardization of goods where appropriate and practical and to realize best life cycle value.
6. **Healthy and Safe Procurement** – Procure goods and services with due regard to our commitment to encourage the use of “environmentally friendly” products and services without compromising a healthy, safe, relevant and aesthetically acceptable learning and working environment.
7. **Lifetime Value** – Ensure the maximum value of an acquisition is obtained by determining the total cost of performing the intended function over the lifetime of the task. This may include, but not be limited to, acquisition cost, disposal value, disposal cost, training cost, maintenance cost, quality of performance and environmental impact; Administrative effort and cost are to be commensurate with the value of the purchase; Rationale will be documented for purchases made other than the lowest price bidder.
8. **Surplus Goods** – Ensure that maximum value is obtained when disposing of surplus goods;
9. **Sustainability** – Give consideration to Sustainability with respect to economic, environmental and social development both locally and internationally.

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2. Purchasing Methods

The School District has various systems, procedures and tools in place that can be used to purchase supplies services or equipment.

Purchase Requisitions

Any request for services, supplies or equipment that is not handled by an annual blanket standing order, service contract, system contract or purchasing card requires a purchase requisition. A purchase requisition is an internal form used to request the Purchasing Department to initiate an action and not an authority for the requisitioner to commit the School District. The purchase requisition should be completed by the end user and approved by the appropriate signing authority as per Administrative Procedure No. 3610. A purchase requisition is used by the Purchasing Department to initiate the purchase order.

Purchase requisitions must have the following:

- Account code
- Account code has to have enough budget to cover the purchase
- Description of purchase
- Authorized signature

Approval is required from the Purchasing Department prior to any commitments made to order goods or services.

Purchase Orders

The purchase order is a written commitment to a vendor contracting for the supply of supplies, services or equipment. For most purchases, it represents the contract between the School District and the vendor, specifying the terms, conditions and pricing for the supply of the products or services requested.

Supplies, services and equipment to be purchased as a result of a recommended award to an approved vendor, single source vendor or the award of a contract to a successful bidder are to be covered by a purchase order, issued by the Purchasing Department.

Before issuing a Purchase order, the Purchasing Department checks purchase requisitions for:

- Proper authorization
- Appropriate product specifications are defined
- Coding to general ledger accounts appear reasonable and within budget limits

Every quarter the outstanding purchase orders will be reviewed by the Director of Finance to ensure they are still valid.

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Blanket/Standing Purchase Orders

Annual blanket or standing purchase orders may be issued by the Purchasing Department to meet district wide needs or the needs of a particular department where there is an ongoing requirement for high volume items, maintenance, repair or operating (MRO) type items. The responsibility for monitoring the blanket purchase order and ensuring expenditures are appropriate and within the amounts established is the responsibility of the requisitioner with assistance from the Purchasing and Finance Departments. A list of the active blanket or standing purchase orders is maintained by the Purchasing Department.

Before issuing a blanket purchase order, the Purchasing Department checks purchase requisitions for:

- Proper authorization
- Appropriate product specifications are defined
- Coding to general ledger accounts appear reasonable and within budget limits
- Reason for using a blanket purchase order

Every quarter the blanket and standing orders will be reviewed by the Director of Finance to ensure they are still in line with the original commitment.

Service Contracts

Service contracts may be issued for the ongoing maintenance of certain types of equipment (i.e. elevators, photocopiers, laser printers, fax machines, postage meters, etc.) as deemed appropriate and cost effective in consultation with end users. These service contracts will be covered by a purchase order and a list of same is maintained by the Purchasing Department.

Tender Process

When formal bidding procedures are used, bids shall be advertised appropriately. When specifications are prepared, the Purchasing Department will be responsible for issuing these specifications to qualified suppliers to the extent that is practical and possible.

Formal bids must be submitted by way of a sealed bid process (electronic or physical), addressed to the School District, and plainly marked with the School District reference number. Tenders shall be opened at the time specified.

The Board reserves the right to reject any or all bids and to accept the bid which appears to be in the best interest of the School District. The Board reserves the right to waive any minor informality in, or reject, any or all bids or any part of a bid. Any bid may be withdrawn by the supplier prior to the scheduled time for the opening of bids. Any bid received after the time and date specified shall not be considered.

The bidder to whom an award is made may be required to enter into a written contract with the School District.

The School District expects fair and honest representation on the part of persons or firms with whom it does business. Misrepresentation on the part of a vendor or failure in the performance of its product or service shall be considered sufficient justification for rejection of a bid and the possibility of being restricted from conducting future business with the District.

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District Purchasing Cards

Purchasing cards will be issued to cost center administrators and their staff members as nominated by the administrator. These cards are to be used in line with Policy No. 3620. Employees of the School District should not use their own personal credit cards for expenditures that will be charged to the School District.

The Purchasing Department holds purchasing cards with higher spending levels and has the authority to use them instead of issuing a PO when that is determined by them to be the most appropriate approach. In instances where the Purchasing Department utilizes their purchasing card for a school or departments request then details related to the transaction will be provided to the requisitioner in lieu of a copy of a PO.

Confirmation Purchase Orders

Approval is required from the Purchasing Department prior to any commitments being made for goods or services. Where a school or department wants to proceed with the purchase of supplies, equipment or services prior to the paperwork being processed, they may contact the Purchasing Department with the appropriate information via email and, in accordance with the established policy and procedure, a purchase order number will be issued.

Schools or departments will be able to give the purchase order number verbally to the supplier. The appropriate requisition and documentation needs to be provided to the Purchasing Department in a timely manner.

Petty Cash

Certain schools and departments have established petty cash floats. These funds are to be used primarily to purchase low value miscellaneous consumable supplies of an emergent nature up to \$25.00 in value. The purchase of equipment from these funds is not permitted and the petty cash system should not be used to circumvent the established purchasing procedures.

3. Purchasing Guidelines

Purchases Up To \$1,000

Authorized personnel in schools or departments may make purchases up to \$1,000 using established purchasing methods.

Purchases Between \$1,000 and \$5,000

Greater than \$1000 but less than \$5,000 may be purchased on the open market after obtaining a minimum of two verbal competitive quotations using established purchasing methods.

Purchases Between \$5,000 and \$25,000

Greater than \$5,000 and less than \$25,000 may be purchased after obtaining three written quotations from known sources of supply using established purchasing methods. Quotations will be obtained by the Purchasing Department in consultation with Schools or Managers for the development of specifications or requirements, and to establish known sources of supply.

The only exceptions to the three written quotations policy are only permitted when time constraints will not allow time for the competitive bid process in instances such as;

- When supplies, services and equipment are urgently required for the delivery of education
- To avoid significant financial loss through damage to facilities and equipment, or
- Where safety or operational needs require urgent attention

With respect to these exemptions, the Purchasing Supervisor or the Director of Facilities, with the approval of the Secretary Treasurer, may obtain direct quotations from suppliers and award the contract.

Purchases Between \$25,000 and \$100,000

Prices will be received by way of a sealed bid process (electronic or physical).

- Low bid tenders – the Purchasing Supervisor, may in consultation with the applicable School or Department, award ‘low bid tenders’ up to a value of \$100,000 which does not significantly vary from the specifications and provided the expenditure is within the budget previously approved for that project or item.
- Greater value tenders – in cases where a tender is considered to give greater value than the low bid tender meeting specifications, the Secretary Treasurer or the Assistant Secretary Treasurer may approve the award to the greater value tender where documented rationale supports an award made to other than the lowest price bidder.
- The only exceptions to the sealed bid tender policy are when time constraints will not allow time for the competitive bid process in instances such as;
 1. When supplies, services and equipment are urgently required for the delivery of education
 2. To avoid significant financial loss through damage to facilities and equipment, or
 3. Where safety or operational needs require urgent attention

With respect to these exemptions, the Purchasing Supervisor or the Director of Facilities, with the approval of the Secretary Treasurer, may obtain direct quotations from suppliers and award the contract.

Purchases of Value Over \$100,000

Will have a public Request for Proposal, advertised on the BC Bid network and other media as appropriate, prices will be received by way of a sealed bid process (electronic or physical).

- Low – the Purchasing Supervisor may approve low bid tenders of a value over \$100,000 which does not significantly vary from the specifications, provided the expenditure is within the budget previously approved for that project or item.
- Greater value tenders – in cases where a tender is considered to give greater value than the low bid tender meeting specifications, the Secretary Treasurer may approve the award to the greater value tender where documented rationale supports an award made to other than the lowest price bidder.

Sole Source

Goods or services available from a sole source may be exempt from the guidelines and processes outlined above. The Purchasing Supervisor in conjunction with the end user and in line with the approval matrix in Administrative Procedure No. 3610 will determine if there is a sole source situation. When a sole source purchase is made the purchase order (PO) will indicate that the purchase is sole source and supporting documentation, if available, will be attached.

TILMA Procurement Thresholds

The Trade, Investment and Labour Mobility Agreement (TILMA) is an agreement between BC and other provinces that requires procurement of goods or services to be handled in a certain manner. It applies to governments, crown corporations and the SUCH sector which includes school boards. The School District is obligated to utilize TILMA compliant procurement procedures for the following:

- Goods of \$75,000 or greater
- Services of \$75,000 or greater
- Construction of \$200,000 or greater

The Purchasing Department is responsible for ensuring that the procurement procedures used by the School District are TILMA compliant.

Purchase of Specialized Equipment

In the interest of standardization, economy of scale purchasing, and efficiency of maintenance service and support, purchases of certain equipment will be subject to the approval of a central authority in addition to regular approval requirements:

Type of Equipment / Service	Approval Authority
Computer Hardware and Software Educational Technology equipment	Director, Information Systems and Technology
Furniture and Furnishings	Purchasing Supervisor
Telecommunications	Purchasing Supervisor

The purchase of specialized equipment will be done exclusively by the Purchasing Department. Purchasing will coordinate supply with the applicable approval authority. An authorized purchase requisition describing the required product(s) must be sent to Purchasing.

4. Practices and Procedures

1. Personal Use Purchases

The School District's purchasing systems or procedures may not be used by individuals to purchase any supplies, service or equipment for personal use. Exceptions to this are district-wide initiatives such as the employee purchase plan for computers which may be permitted at the discretion of the Superintendent.

2. Conflict Of Interest

No employee of the School District shall engage in or have a financial interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with their duties and responsibilities.

No employee shall sell or assist in the sale of instructional services, supplies, or equipment within or to the District and shall not furnish lists of students or parents to anyone selling such services or materials. The Purchasing Department is restricted from acquiring services, supplies or equipment directly or indirectly from any employee of the school district.

Employees shall not use their personal credit cards when making expenditures that will be charged to the School District.

3. Emergencies

If an emergency occurs during normal working hours, the Purchasing Supervisor or the purchasing staff may issue a purchase order number verbally without following the normal procedures. If an emergency occurs during non-working hours, the department or administrator should obtain the goods or services as required. Under both circumstances the proper documentation and account codes should be prepared as soon as possible after the emergency.

4. Co-Operative Ventures

The Board supports the concept of working collaboratively with other public organizations to achieve operational efficiencies and realize cost savings. The Purchasing Department is authorized to participate in co-operative purchasing, joint ventures and shared services initiatives with other public sector agencies. Expenditures of this nature will follow the procedures established by the lead agency responsible for the initiative that may in some cases vary from the School District's procedures.

5. Consulting Services

Services obtained by the School District from consultants must be covered by a contract or by a purchase order and the selection of firms or individuals to be used should be handled in accordance with the established purchasing procedures. Objective evaluation criteria should be used in selecting consultants and should take into consideration factors such as cost, ability, experience, and proficiency as well as any other relevant factors.

6. Professional Services

To the extent practical the School District will ensure that decisions related to the use of professional services (i.e. legal services, etc.) are handled appropriately even though the service may be exempted by the Purchasing policy. The approach used should provide an opportunity for qualified firms to be considered and lead to the development of an approved list of firms by the School District for the majority of its commonly used services.

7. Receiving & Reporting

It is the responsibility of the signing authority (principal, manager or delegate) to ensure that the supplies, services or equipment ordered on their behalf and delivered directly to them are properly and promptly received and accounted for. When goods have been received in good order, a signed copy of the receiving report or, where applicable, the packing slip clearly quoting the purchase order number is to be promptly forwarded to Accounts Payable.

Any goods received damaged (apparent or concealed) must be reported to the vendor and/or carrier within 48 hours of receipt. Most vendors now require that purchasers obtain a "Return Material Authorization" before accepting returned goods. Contact the vendor or Purchasing before returning goods to vendors.

Expenditures are recognized when the goods or services are received.

When price discrepancies on invoices relate to purchase orders, Finance will hold payment and notify Purchasing. Purchasing will investigate discrepancies and advise Finance of any adjustments

Where quantity discrepancies occur between quantities ordered and received. Finance will pay invoices based on the actual quantities recorded as received.

8. Payment Procedure

Prompt submission of the receiving report information or the packing slip to Accounts Payable will ensure that timely payment is made to the vendor, any prompt payment cash discounts offered are earned and good customer/vendor relations are maintained.

9. Disposal of Surplus Assets

All assets are owned by the School District and are under the care, custody and control of a particular school or department. The Purchasing Department is responsible for the disposal of surplus assets. Schools may not sell or transfer equipment.

All surplus furniture and equipment should first be offered to the other schools in the School District before the surplus items are disposed of in some other manner. Schools with surplus items should advise the Purchasing Department of particulars along with the value that they would like to receive for the goods. The Purchasing Department will co-ordinate and circulate information and attempt to match the surplus with a need elsewhere. Interested schools will work out the details of the transfer with each other. The Purchasing Department will participate in the transfer by assisting in establishing fair market value, transferring funds, updating inventory, etc.

Surplus items that cannot be relocated within our system after a reasonable period of time will be dealt with as follows:

- Kept and stored for possible use or transfer at some later date
- Used as a trade-in to reduce the purchase cost of new replacement items
- Disposed of by the Purchasing Department via the established procedures

10. Special Category Expenditures

Subject to applicable School Board policies and procedures (including having budget funds available), these transactions are exempted from the purchasing policy and a purchase order is not necessarily required for the following items. If any of the transactions are processed using the School District's purchasing card then they should be reported Monthly using the Reconciliation Form.

- a) Petty Cash Expenditures
- b) Professional Development and Education Services are approved in line with the approval matrix in Administrative Procedure No. 3610:
 - Courses Payments / Reimbursements
 - Convention Registrations
 - Memberships or Dues
 - Seminars
 - Periodicals / magazines / subscriptions
 - Staff Training / Development / Workshops / Delivery Services (after necessary approval)
- c) Refundable Employee Expenses
 - Minor Travel Expenses, Meals, Parking, Hotel, Airlines (Travel purchases in excess of \$2,500 will be obtained using competitive purchasing practices outlined above)
 - Mileage Allowance / Vehicle
 - Cash Advances
- d) Utilities and Miscellaneous
 - Postage
 - Hydro
 - Gas
 - Telephone Service Charges
 - Courier Service Charges
- e) General Expenses
 - Payroll Remittances
 - Medical and Dental Expenses
 - Licenses (vehicles, elevators, radios, etc.)
 - Charges to or from other government bodies or Crown Corporations
- f) Immediate Legal Services

11. Tax Exemptions

The Purchasing Department is responsible for the identification and application of any Provincial or Federal taxes or duties that apply to a transaction including the eligibility for any full or partial exemptions. In situations where the expenditure qualifies for a rebate the Finance Department will process the necessary transactions and the rebate will be credited to the school's account.

12. PAC Purchases

A PAC may purchase goods and services through the School District. Advantages for a PAC to make use of the School District may include larger tax rebates; reduced paper handling, tracking of shipments; enforcement of warranty or terms and conditions; cost savings through bulk purchases, tenders and contracts; and delivery and set-up of goods (e.g. playground equipment).

Principals must approve PAC purchases and code the purchase requisition to a recoverable account. The school is responsible for ensuring that the PAC reimburses these funds and that the recoverable accounts are cleared in a timely manner.

If a PAC purchases goods and services directly, the PAC is responsible for filing for applicable tax rebates.