



Administrative Procedure 515

PURCHASING

Background

The District 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 District, 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 Manager, Purchasing and Logistics will establish purchasing principles and procedures that define procurement processes and spend limits.

Approval is required from the Manager, Purchasing and Logistics prior to any commitments being made to order goods or services within designated limits. The Manager, Purchasing and Logistics 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 514 – Signing Authority and will use these procedures which outline the authorization limits regarding determination of supplier and the various systems, procedures and tools that can be used.

The Secretary-Treasurer in accordance with this Administrative Procedure is responsible for issuing and the signing of purchase orders and contracts on behalf of the District in accordance with Administrative Procedure 514 – Signing Authority.

Procedures

1. Purchasing Principles

The goals and principles of the District's Manager, Purchasing and Logistics are:

- 1.1. Public Sector Purchasing Practices - Purchase goods and services in accordance with competitive best public sector purchasing practices recognized by Supply Chain Canada Association [SCC].
- 1.2. Ethical Purchasing - Follow the guidelines set out in the code of ethics established by the SCC.
- 1.3. Efficient and Effective Procurement - Procure the necessary quality and quantity of goods and services in an efficient, timely and cost effective manner. Provide

purchasing advice and guidance for the District, schools and departments within the granted authority and subject to optimizing best value for the District as a whole.

- 1.4. Open and Fair Procurement Process - Encourage fairness, integrity, accountability, and transparency procurement for the acquisition and disposal of goods and services and compliance with all applicable trade agreements and legislated requirements. Provide reasonable opportunities for qualified suppliers and contractors to seek the District's business.
- 1.5. Standardization and Simplification - Establish standardization of goods where appropriate and practical and to realize best life cycle value.
- 1.6. Sustainable, Healthy and Safe Procurement - Procure goods and services with due regard to sustainability with respect to economic, environmental and social development both locally and internationally; and to our commitment to encourage the use of "environmentally friendly" products and services providing a healthy, safe, relevant and aesthetically acceptable learning and working environment.
- 1.7. 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, operating and maintenance cost, serviceability, warranty, 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 bid.
- 1.8. Surplus Goods - Ensure that maximum value is obtained when disposing of surplus goods and equipment; with administrative effort and cost to be commensurate with the benefit. "Reduce, Reuse & Recycle" may be guiding principles. Priority may be provided to community non-profit organizations.

2. Purchasing Methods

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

2.1. Purchase Requisitions

- 2.1.1. Any request for services, supplies or equipment that is not handled by an annual blanket standing order, service contract, system contract or purchasing card (PCard), or below the "Small Dollar Limit" e.g. \$1,000, requires a purchase requisition. A purchase requisition is used to request the Manager, Purchasing and Logistics to initiate an action and not an authority for the requisitioner to commit the District. The purchase requisition is to be completed by the end user and approved by the appropriate signing authority as per Administrative Procedure 514. A purchase requisition is used by the Manager, Purchasing and Logistics to initiate the purchase order.
- 2.1.2. Requisitioner is to ensure Purchase Requisitions must have the following:
 - 2.1.2.1. Account code.
 - 2.1.2.2. Account code is to have enough budget to cover the purchase.
 - 2.1.2.3. Description of purchase.
 - 2.1.2.4. Authorized signature/approval.

2.1.3. Approval is required from the Manager, Purchasing and Logistics prior to any commitments made to order goods or services.

2.2. Purchase Orders

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

2.2.2. 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 supplier are to be covered by a purchase order, issued by the Manager, Purchasing and Logistics.

2.2.3. Before issuing a PO, the Manager, Purchasing and Logistics checks purchase requisitions for:

2.2.3.1. Proper authorization.

2.2.3.2. Appropriate product specifications are defined.

2.2.3.3. Coding to general ledger accounts.

2.2.4. Every quarter the outstanding purchase orders will be reviewed by the Assistant Manager of Purchasing to ensure they are still valid.

2.3. Blanket/Standing Purchase Orders

2.3.1. Annual blanket or standing purchase orders may be issued by the Manager, Purchasing and Logistics 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, and services. 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 Manager, Purchasing and Logistics. A list of the active blanket or standing purchase orders is maintained by the Manager, Purchasing and Logistics.

2.3.2. Before issuing a blanket purchase order, the Manager, Purchasing and Logistics checks purchase requisitions for:

2.3.2.1. Proper authorization.

2.3.2.2. Appropriate product specifications are defined.

2.3.2.3. Coding to general ledger accounts.

2.3.2.4. Reason for using a blanket purchase order.

2.3.3. Every quarter the blanket and standing orders will be reviewed by the Assistant Manager of Purchasing to ensure they are still in line with the original commitment.

2.4. Procurement Process

2.4.1. Competition – the methods of procurement for goods and services should be competitive where possible to:

- reduce costs to the public through marketplace competition.

- encourage innovation and efficiencies.
 - demonstrate the application of fair and open selection criteria.
- 2.4.2. The level of external competition required for District purchases is based on the dollar value and nature of the specific purchase. The cost associated with administering a competitive process should be proportionate to the benefit received as a result of the competition. For example, the cost of a formal procurement of certain small product purchases may exceed the cost of the product. Conversely, the District would only incur the expense of an Invitation to Tender (ITT) or Request for Proposals (RFP) for large dollar purchases.
- 2.4.3. When formal procurement procedures are used, procurement shall be advertised appropriately. When specifications are prepared in collaboration with user dept., the Manager, Purchasing and Logistics will be responsible for issuing these specifications to qualified suppliers to the extent that is practical and possible.
- 2.4.4. Formal procurement must be submitted by way of a formal process (electronic or physical), administered by the Manager, Purchasing and Logistics.
- 2.4.5. The District reserves the right to reject any or all submissions and to accept the submission which appears to be in the best interest of the District. The District reserves the right to waive any minor informality in, or reject, any or all submissions or any part of a submission. Any submission may be withdrawn by the supplier prior to the scheduled time for the opening of procurements.
- 2.4.6. The supplier to whom an award is made may be required to enter into a written contract with the District.
- 2.4.7. The 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 supplier and the possibility of being restricted from conducting future business with the District.
- 2.5. District Purchasing Cards
- 2.5.1. The purpose of the Purchasing Card (PCard) Program is to provide schools and departments with an efficient, low-cost purchase and payment processing alternative to petty cash, invoices, purchase orders and issuing cheques. It is designed to delegate authority to authorized employees (Cardholders) for the purchase of approved goods. Cardholders are to only make approved purchases within their allocated limits and budget and complying to District policies and procedures. These cards are to be used in line with Administrative Procedures. Employees of the District are not to use their own personal credit cards for expenditures that will be charged to the District.
- 2.5.2. The Secretary-Treasurer has overall authority and responsibility for the PCard Program. The Purchasing Dept. has been authorized to administer the PCard Program and to utilize the program and credit facilities in the best interests of the District.
- 2.5.3. The Manager, Purchasing and Logistics holds purchasing cards with higher spending levels and has the authority to use them instead of issuing a PO when that is determined to be the most appropriate approach. In instances where the Manager, Purchasing and Logistics utilizes a purchasing card for a

school or department request details related to the transaction will be provided to the requisitioner in lieu of a copy of a PO.

2.6. Expedited/Confirmation Purchase Orders

2.6.1. Approval is required from the Manager, Purchasing and Logistics prior to any commitments being made for goods or services. Where a school or department needs to expedite a purchase to proceed prior to the paperwork being processed, they may contact the Manager, Purchasing and Logistics with the appropriate information via email and, in accordance with the established procedure, a purchase order number may be issued.

2.6.2. Principals or managers will be able to give the purchase order number verbally to the supplier. The appropriate requisition and documentation needs to be provided to the Manager, Purchasing and Logistics in a timely manner.

3. Purchasing Guidelines

Note: authorizations are governed by "Signing Authority" Administrative Procedures

3.1. Purchases Up To \$1,000

3.1.1. Authorized personnel may make purchases, preapproved by the expense budget's manager, up to \$1,000 ensuring best value for the District and following established purchasing methods. The PCard is the preferred mechanism for small dollar purchases.

3.2. Purchases Between \$1,000 and \$10,000.

3.2.1. Greater than \$1000 but less than \$10,000 may be purchased on the open market after obtaining a minimum of two competitive quotations; verbal and online are acceptable using established purchasing methods.

3.3. Purchases Between \$10,001 and \$75,000; and \$200,000 for Construction.

3.3.1. Greater than \$10,000 and less than \$75,000 and \$200,000 for Construction procurement may be purchased after obtaining three written quotations from known sources of supply using established purchasing methods. Quotations will be obtained by the Manager, Purchasing and Logistics in consultation with principals or managers for the development of specifications or requirements, and to establish known sources of supply.

3.3.2. Definition of Construction Procurement per New West Partnership Trade Agreement (NWPTA): "*construction means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement*"

3.4. Purchases Over \$75,000; and Over \$200,000 for Construction

Submissions will be received by way of a formal procurement process (electronic or physical) administered by the Purchasing Dept. advertised on acceptable government procurement portal (example BC Bid) and other media as appropriate.

- 3.4.1. Low bid - the Manager, Purchasing and Logistics, may in consultation with the applicable principal or manager, award 'low bid ' procurements which does not significantly vary from the specifications and provided the expenditure is within the budget previously approved for that project or item.
- 3.4.2. Best value procurement - in cases where a submission is considered to give greater value than the low bid meeting specifications, the Secretary-Treasurer or the Assistant Secretary-Treasurer or as delegated to Manager, Purchasing and Logistics may approve the award to the “Best value” submission where documented rationale supports an award made to other than the lowest price submission.
- 3.4.3. Exceptions to these Purchasing Procedures are only permitted when in the best interests of the District, including time constraints will not allow for the competitive procurement process including;
 - There is an urgent need and delay would be injurious to the public interest.
 - To avoid significant financial loss including through damage to facilities and equipment.
 - Where safety or operational needs require urgent attention.
 - The goods / services require compatibility or standardization with existing goods/ services, including may void warranties or guarantees.
 - The goods/ services have been prequalified by another public agency or cooperative purchasing venture.
 - By written request including justification in the best interests of the District, agreed to by the Manager- Purchasing and approved by the Secretary-Treasurer.

The Secretary-Treasurer is authorized to exempt specific procurements from this Procedure when it is in the best interests of the District. With respect to these exemptions, the Manager, Purchasing and Logistics or the Director of Facilities, with the approval of the Secretary-Treasurer, may obtain direct quotations from suppliers and award the contract.

3.5. Sole Source/Single Source/ Direct Award

- 3.5.1. Goods or services available from a sole source or single source may be exempt from the guidelines and processes outlined above. The Manager, Purchasing and Logistics in conjunction with the end user and in line with the dollar approval matrix in Administrative Procedure 514 – Signing Authority will determine if there is a sole source or single source situation. When a Direct Award purchase is made the purchase order (PO) will indicate that the purchase is sole source, single source or direct award and include justification supporting documentation, will be attached. The Manager, Purchasing may issue a Notice of Intent to Contract (NIC).
- 3.5.2. Definition: **Sole Source procurement** is one in which only one supplier can provide the commodity, technology and /or perform the services required.

Every order, not on Prequalified Contract, that cannot be competitively bid, and is over \$10,000, must be documented as a sole source. The explanation must be maintained in the Procurement file.

The explanation shall have three components:

1. Why is the item/service unique?
2. How do you know that there is only one source for this item/service?
3. The basis upon which the price/cost was determined to be fair and reasonable.

Definition: **Single Source procurement** is one in which two or more vendors can supply the commodity, technology and /or perform the services required by an agency, but the department selects one vendor over the others.

Departments must state the circumstances leading to the selection of the vendor, any alternatives considered, rationale for selecting the vendor and how it was determined that the price was fair and reasonable.

Guidelines for Substantiating Single Source

- Past experience with a particular issue and this vendor has the historical knowledge or was the original installer.
- Experience with similar projects at other agencies or at other levels of government.
- Demonstrated expertise.
- Capacity and willingness to respond to an emergency situation.

Price Justification

- Competitive quote but other suppliers could not meet specifications.
- Comparison to published price lists or to product catalog including online catalog.
- Comparison to similar product/service.
- Prices quoted are less than or equal to, those quoted to other governmental agencies.
- Records of previously bid items that were similar.
- Proven industry standard.

Documentation from Dept. approver sent to Purchasing with the Requisition.

3.6. Trade Agreement Thresholds

- 3.6.1. All purchases of goods, equipment, and services, including construction contracts, will be compliant with all applicable trade agreements. The Manager, Purchasing and Logistics shall ensure that the procurement procedures used by the District are in compliance with applicable trade agreements.

Provincial Government thresholds:

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

3.7. Purchase of Specialized Equipment and Services

3.7.1. In the interest of standardization, value for money, and efficiency of maintenance service and support, purchases of certain equipment, services and supplies will be subject to the approval of a central authority in addition to regular approval requirements:

Type of Equipment / Service	Approval Authority
Technology; Computer Hardware and Software Educational Technology equipment; Telecommunications	Chief Officer of Technology and Information
Furniture and Furnishings	Manager, Purchasing and Logistics

3.7.2. The purchase of specialized equipment will be done exclusively by the Manager, Purchasing and Logistics. Purchasing will coordinate supply with the applicable approval authority. An authorized purchase requisition describing the required product(s) must be sent to Manager, Purchasing and Logistics. Technology and Furniture as listed in the Purchasing District Catalog is Preapproved.

3.7.3. Procurement Impacting Facilities.

3.7.4. Procurements that may impact facilities including safety, code requirements [e.g. Building; Electrical], installation, maintenance and/or ongoing operating costs are to be preapproved by the Facilities Dept.

4. Practices and Procedures

4.1. Personal Use Purchases

4.1.1. The District's purchasing systems or procedures shall 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 (EPP) for computers which may be permitted at the discretion of the Superintendent or Secretary-Treasurer.

4.2. Conflict Of Interest

4.2.1. No employee of the 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.

4.2.2. 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 employees, students or parents to anyone selling such services or materials. The Manager, Purchasing is restricted from acquiring services, supplies or equipment directly or indirectly from any employee of the District.

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

4.3. Emergencies

4.3.1. If an emergency occurs during normal working hours, the Manager, Purchasing or the Purchasing Dept. staff may issue a purchase order number verbally without following the normal procedures. If an emergency occurs during non-working hours, the administrator or manager, acting in the best interests of the District is to obtain the goods or services as required. Under both circumstances the proper documentation, approvals and account codes shall be prepared as soon as possible after the emergency.

4.4. Co-Operative Ventures

4.4.1. The District supports the concept of working collaboratively with other public organizations to achieve operational efficiencies and realize cost savings. The Manager, Purchasing and Logistics 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 District's procedures.

4.5. Consulting and Professional Services

4.5.1. Services obtained by the District from consultants and professionals must be covered by a contract or by a purchase order and the selection of firms or individuals to be used may be exempted from this Procedure. Objective evaluation criteria are to be used in selecting consultants and professionals and are to take into consideration factors such as qualifications, overall cost, ability, experience, and proficiency as well as any other relevant factors.

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

4.5.3. "Consulting/Professional Method" - the usual competitive acquisition rules are suspended due to the uniqueness of the product/service being procured. Consultants are often considered "trusted advisors" and the value of recommendations and services has much greater overall dollar impact than the consultants fees.

4.5.4. "Professional and Consulting Services" includes the services of architects, engineers, designers, surveyors, management and financial consultants, brokers, lawyers, accountants, auditors, and any other professional and consulting services required by the District;

4.5.5. If the Purchase or Expenditure is for Professional and Consulting Services:

4.5.6. Approval - Where the Total Cost of the Purchase or Expenditure does not exceed Seventy-Five Thousand (\$75,000.00) Dollars, or \$200,000 for construction; Secretary-Treasurer may authorize the Purchase or Expenditure or select the best valued Submission meeting the requirements and in the best interests of the District.

4.6. Receiving and Reporting

- 4.6.1. It is the responsibility of the signing authority (principal or manager) 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 personnel.
- 4.6.2. 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 Manager, Purchasing and Logistics before returning goods to vendors.
- 4.6.3. Expenditures are recognized when the goods or services are received.
- 4.6.4. When price discrepancies on invoices relate to purchase orders, the Manager, Accounting and Reporting will hold payment and notify the Manager, Purchasing and Logistics. The Manager, Purchasing and Logistics will investigate discrepancies and advise Manager, Accounting and Reporting of any adjustments
- 4.6.5. Where quantity discrepancies occur between quantities ordered and received the Manager, Accounting and Reporting will pay invoices based on the actual quantities recorded as received.

4.7. Payment Procedure

- 4.7.1. Prompt submission of the receiving report information or the packing slip to Accounts Payable personnel 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.

4.8. Disposal of Surplus Assets

4.9. Special Category Expenditures

- 4.9.1. Subject to applicable Board policies and procedures (including having budget funds available), these transactions are exempted from this Administrative Procedure and a purchase order is not necessarily required for the following items. If any of the transactions are processed using the District's purchasing card then they are to be reported monthly using the Reconciliation Form (Form 513-2).

4.9.1.1. Petty Cash Expenditures

- 4.9.1.2. Professional Development and Education Services are approved in line with the approval matrix in Administrative Procedure 514 – Signing Authority:

4.9.1.2.1. Courses Payments / Reimbursements

4.9.1.2.2. Convention Registrations

4.9.1.2.3. Memberships or Dues

4.9.1.2.4. Seminars

4.9.1.2.5. Periodicals / magazines / subscriptions

- 4.9.1.2.6. Staff Training / Development / Workshops / Delivery Services (after necessary approval)
 - 4.9.1.3. Refundable Employee Expenses
 - 4.9.1.3.1. Minor Travel Expenses, Meals, Parking, Hotel, Airlines (Travel purchases in excess of \$2,500 will be obtained using competitive purchasing practices outlined above)
 - 4.9.1.3.2. Mileage Allowance / Vehicle
 - 4.9.1.3.3. Cash Advances
 - 4.9.1.4. Utilities and Miscellaneous
 - 4.9.1.4.1. Postage
 - 4.9.1.4.2. Hydro
 - 4.9.1.4.3. Natural Gas
 - 4.9.1.4.4. Telecommunications Service Charges
 - 4.9.1.4.5. Courier Service Charges
 - 4.9.1.5. General Expenses
 - 4.9.1.5.1. Payroll Remittances
 - 4.9.1.5.2. Medical, Health Benefit and Dental Expenses
 - 4.9.1.5.3. Licenses (vehicles, elevators, radios, etc.)
 - 4.9.1.5.4. Charges to or from other government bodies or Crown Corporations
 - 4.9.1.6. Immediate Legal Services
- 4.10. Tax Exemptions
- 4.10.1. The Manager, Purchasing and Logistics 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 Assistant Secretary-Treasurer will process the necessary transactions and the rebate will be credited to the school's account.
- 4.11. PAC Purchases
- 4.11.1. A Parent Advisory Committee (PAC) may purchase goods and services through the District. Advantages for a PAC to make use of the 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).
- 4.11.2. Principals must approve PAC purchases and code the purchase requisition to a recoverable account. The principal is responsible for ensuring that the PAC reimburses these funds and that the recoverable accounts are cleared in a timely manner.

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

Reference: Sections 22, 23, 65, 85 School Act
Income Tax Act
New West Partnership Trade Agreement

Adopted: December 3, 1973

Revised: May 16, 1983; June 22, 1999; March 23, 2003; September 24, 2013; November 17, 2020