

Policy Name: Purchasing

No: 2500

Preamble

The Board states that its over-riding purchasing objective is to satisfy the operational and educational needs of the school district while realizing overall best value for the school district.

Policy Statement

The Board will purchase goods, equipment and services through a decentralized model that ensures purchases are high quality, meet standards, legislatively compliant, sustainability, competitively priced and maintainable.

The scope of this policy is to include all goods and services except for major capital construction contracts where the Board has appointed an architect or consultant and which are supervised by the Director of Facilities following the Office of the Comptroller General, Capital Asset Management Framework.

Statutory Reference: Canada Revenue Agency-Charitable Donations

Contractual Reference:

Policy Reference: 2210 – External Funding through Donations or Partnerships

Date of Initial Board Approval:

Amendments:

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Guiding Principles

1. The purchase of goods and services will consider educational and operational needs, price, delivery and quality of the product/service to determine the best purchase.
2. Capital purchases will comply with the Provincial Procurement Guidelines.
3. Purchases over \$5,000 will be made after receipt of competitive quotes.
4. Purchases will support local business when all other factors are equal.
5. Purchases will comply with Interprovincial Trade Agreement(s).
6. The joint purchasing group tenders and standing offers from the Province will be used for purchases whenever possible.
7. The Board believes the school district should participate with other public authorities in a cooperative way when appropriate.
8. Purchases will consider energy sustainability and available green products and ensure that suppliers remove packing materials for large equipment purchases after delivery.
9. Purchases will be compliant with health and safety and WCB regulations and any concerns will be reviewed by the Health and Safety Manager prior to order.
10. Equipment that needs installation will be reviewed by physical plant staff prior to purchase to ensure compliance with CSA standards and that installation will comply with code and be maintainable by district staff. The installation will be done by district maintenance staff when it can be done for an equivalent price, staff have the expertise and timelines can be met.
11. Technology equipment orders will be reviewed by the information systems department prior to purchase to ensure compliance with the district technology plan and ability of district technical staff to support.
12. Purchase of playground equipment will be done after review by the grounds department to ensure that the equipment meets standards and can be installed and maintained by district staff.
13. The purchase of cell phone and land phone systems will be coordinated by the Director of Finance to ensure compatibility and fairness across the system.

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Guiding Principles

14. The use of contracted services for installations must be coordinated through the facilities department to ensure compliance with regulations and the collective agreement.
15. Delivery of heavy goods where the supplier will not unload needs to be coordinated with the facilities department to ensure appropriate safe procedures for unloading.
16. Approval of the purchase of goods and services will comply with the signing authorities in the Procedural Bylaw.
17. The purchase of goods and services from non-public funds must follow these guidelines.
18. Asset inventories must be maintained for purchases, sales and write offs of capitalized items over \$5,000 in value.

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Administrative Procedures

General Procedures:

The staff responsible for purchasing in their school or location will ensure that the following procedures are followed:

1. Consider standardization of goods where appropriate to realize best life-cycle value.
2. Procure goods and services without compromising a healthy, safe, relevant, environmentally sustainable and acceptable learning and working environment.
 - a. Equipment that is operated by electrical or carbon fuels shall be specified and selected to maximize the useful life of the product, the operating energy efficiency and to minimize the greenhouse gas production throughout their lifecycle.
 - b. Acquired products shall demonstrate the least waste in their creation through to disposal, including removal of surplus shipping material by the supplier and salvage or recycle capabilities at the end of useful life.
 - c. Procure goods and services with due regard to the environment. Suppliers are to be made aware of the requirement to provide environmentally friendly and recyclable products. Specifications on items are to be reviewed to ensure that, whenever possible and economical, the materials provide for the lowest volume of post consumer waste and largest recycled content or the lowest volume of an environmentally hazardous product without significantly impacting on the effectiveness or efficiency of the product.
3. Provide reasonable opportunities for qualified suppliers and contractors to seek the school district's business. Purchasing shall reflect an open market policy ensuring that all interested suppliers have the opportunity to make supply proposals. Contracted services for facilities or transportation shall be undertaken by those relevant departments on behalf of the manager to ensure compliance with regulations and the CUPE Collective Agreements.
4. Document rationale for purchases made other than to the lowest price bidder and review any legal matter where a purchase exceeds \$5,000

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Administrative Procedures (cont'd)

5. Select vendors through processes which are open, competitive and ethical.
6. The purchase of materials and services shall be based on total best value, which is determined by weighing all or some of the following factors:
 - a. Acquisition cost, including transportation.
 - b. Operating cost.
 - c. Availability of parts, service, training and technical expertise from the vendor.
 - d. How well the product does the job for which it was intended.
 - e. Durability and reliability of the product.
 - f. Cost of supportive inventory.
 - g. Expedient delivery.
7. Utilize accepted professional practices for public sector buying.
 - a. All procurement shall respond to the principles of the Canadian First Ministers' Agreement on Internal Trade by eliminating local price preferences, biased technical specifications, unfair registration requirements or any other discriminatory practices for non-resident suppliers in order to ensure equal access to procurement for all interested Canadian suppliers.
 - b. Procurement of goods, services or construction shall meet the standards of the Trade Investment Labour Mobility Act (TILMA) for the aggregate of products exceeding the following limits:
 - (i) \$75,000 or greater for goods;
 - (ii) \$75,000 or greater for services; or
 - (iii) \$200,000 or greater for construction.
 - c. Electronic national tendering system notices, such as BC Bid, shall be posted for all goods or services exceeding the TILMA limits.
 - d. Capital procurement practice shall follow the Office of the Comptroller General Capital Asset Management Framework and Provincial Procurement Best Practice Guidelines.

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Administrative Procedures (cont'd)

8. Utilize purchasing resources solely for the benefit of the school district. Wherever possible, purchases shall be arranged at times or in quantities that will be convenient to annual requirements, the availability of budgeted funds and storage facilities.

All employees purchasing for the school district shall ensure to:

- a. Consider the interest of the schools, needs of educational programs, environmental sustainability of the product and the support services required from information technology or facilities maintenance services. The purchaser shall allow for costs of all accessory construction, electrical, mechanical or information technology infrastructure service installations or alterations in planning for new or replacement equipment
- b. Consult with all relevant departments in advance of any purchase for equipment to obtain approval of the scope of the new installation and to receive specifications for building, fire, fuel burning appliance, electrical and plumbing code or Canadian Standards Association regulations pertaining to: service sizes, voltage, amperage, mechanical ventilation standards, installation clearances, fire safety standards, WorkSafe Occupational Health & Safety practices, information or communication technology network operating protocols, communication or video wiring infrastructure/architecture or any other relevant governing regulations.
- c. Confirm purchases of computers, printers, multi-function devices, and network hardware or operating software are compatible and in accordance with the District Technology Plan, by first referring to the Information Technology Department to confirm that protocols or equipment is supported by technical staff or existing network infrastructure.
- d. Communications equipment, telephone software upgrades or wiring installation shall be authorized by the relevant departments.
- e. Discourage the offer of, and decline, gifts which might in any way influence the purchase of goods or services.
- f. Do not ask for special discounts or price reductions on items purchased from school district suppliers for their personal use.
- g. Do not deal with a supplier where they have a pecuniary or beneficial interest arising from the purchase of goods or services.

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Administrative Procedures (cont'd)

Extraordinary Equipment Items

1. Specifications for any equipment to be purchased by an individual school with its own funds or to be donated to a school by any agency, firm or individual, shall be submitted to the relevant department of facilities, health and safety or information services for examination and evaluation, prior to purchase or acceptance.
2. The relevant department shall recommend whether equipment to be purchased by or donated to individual schools is of a standard to merit maintenance by district staff and with district funds.

Specific Procedures and Forms of Purchase

1. The methods and forms of purchase are established to provide:
 - a. an effective method of communicating and documenting the terms and conditions associated with the procurement of goods and services between the department making the purchase, vendor and finance department;
 - b. accurate accounting of expenditures;
 - c. efficient and timely payment of invoices through use of documents that provide evidence of the conditions of purchase, approval of expenditures and acknowledgement of receipt of goods and services contracted.
2. The methods and forms of purchase are to be observed within the monetary thresholds set out in Table 1 when making purchases on behalf of the school district.
3. Managers are required to ensure that:
 - a. methods of purchase such as purchase orders are used appropriately;
 - b. the Director of Finance is informed in writing of all staff granted administrative authorization to purchase on their behalf; and any changes to administrative authorization granted to departmental employees;
 - c. staff granted administrative authorization shall review on a regular basis the Purchasing Policy objectives and procedures.

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Administrative Procedures (cont'd)

TABLE 1		
Method and Form of Purchase		Value of Transaction
1.	Discretionary Threshold Best price effort to extent deemed appropriate Purchase Order or Credit/Purchase card.	Up to \$2,000
2.	Best Price Effort –documented Purchase Order	> \$2,000 < \$5,000
3.	Written Request for Quotations (RFQ) or Request for Proposal (RFP) (Minimum of three to be solicited) Purchase Order, with quotation documentation	> \$5,000 < \$50,000
4.	Public Invitation to Tender or RFP – Secretary-Treasurer’s Award Required	Over \$50,000
5..	National Public Invitation to Tender or RFP –	Over \$75,000 Except Capital Construction \$200,000

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Administrative Procedures (cont'd)

Specific Procedures and Forms of Purchase – Table 1, Section #1 and #2

1. Generally, all required goods and services will be purchased from the lowest bidder unless it is determined that for reasons such as service, quality or supply availability it is unwise to purchase from the low bidder.
2. Suppliers and contractors will be selected that demonstrate the level of flexibility required and a commitment to competitiveness in product development and technical improvements. They must maintain ethical business practices and a good record of adhering to specifications and deliverables to provide the quality of service desired by the school district.
3. All purchases of goods, services and construction where the procurement value is in excess of the amounts set out in TILMA shall be conducted in accordance with the terms and conditions of TILMA.
4. Where the procurement value of goods, services and construction is below the amounts set out in TILMA, the Board recognizes that purchasing locally can provide an overall benefit to the community. Therefore, in those instances where the TILMA does not apply, providing all other criteria is sufficient, preference will be given in the following order:
 - a. firstly to businesses located within the school district;
 - b. second to businesses located within the Province of British Columbia;
 - c. third to businesses located in Canada; and
 - d. lastly to any other businesses.
5. Where the purchase is expected to be within the discretionary threshold (Table 1, Level 1), the best price for specified goods and services is to be achieved through such efforts as obtaining quotations or performing catalogue or advertisement comparisons. The method and extent of such comparisons will be at a manager's discretion. It is expected that the decision criteria may be weighted more heavily on efficiency (and convenience) than on price.

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Specific Procedures and Forms of Purchase – Table 1, Section #1 and #2

6. Where the purchase is expected to be above the discretionary threshold and below the amounts set out in TILMA, managers and authorized staff are expected to include local suppliers when Invitations for Quotations, Requests for Proposals are solicited.
7. Where a purchase is over the discretionary threshold and the manager is recommending that the purchase be made from other than the lowest bidder or against the method of purchase prescribed in Table 1, then managers or authorized staff responsible shall obtain the approval of the Secretary-Treasurer and/or legal counsel, as the case may be directed by the Secretary-Treasurer.
8. Where the purchase is over the discretionary threshold and the variance between the lowest bid and the next lowest bid is greater than 20%, managers or authorized staff responsible shall inform the Secretary-Treasurer and obtain approval before awarding the contract to supply to the lowest bidder.

Method and Forms of Purchase – Table 1, Section #3

Written Requests for Quotations (RFQ):

1. When required, written quotations are to be obtained from not less than three vendors.
2. Requests for quotations are to be based on minimum specifications or better that do not restrict competitive price quotations. The award of contract is to be made on the basis of the best value offered for the specified goods or services. If a favorable price quotation is submitted by a vendor that offers features that either add or limit the conditions under which the price is valid then an award may be made to a firm that provides the highest value through any revised conditions.

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Administrative Procedures (cont'd)

3. Requests for quotations may be issued to selected vendors who are known to be able to provide the quality of goods or services required. The potential respondents will be provided with a request for quotation which will include the following:
 - a. quantity and description of the goods and or services to be purchased including, where applicable, the product or service specifications;
 - b. date by which the school district requires the goods or services;
 - c. stipulation that all quotations must show applicable taxes and freight charges separately from the price quoted for the goods or services;
 - d. period of time after the receipt of quotations before the contract is expected to be awarded;
 - e. general terms and conditions that may apply to the goods or services supplied by the successful respondent;
 - f. the date and time at which price quotations will no longer be accepted for consideration;
 - g. a disclaimer stating that "the lowest or any quotation will not necessarily be accepted".

Requests for Proposals (RFP):

4. Requests for Proposals will be used when selecting professional design or consulting services such as legal, audit and engineering services. An RFP will typically only be used where the estimated value of the services will be in excess of \$25,000.
5. An RFP is a competitive bidding process generally used to secure services or performance driven contracts but may be advantageous in limited circumstances for the acquisition of goods or materials. When a public offering is not required, managers will offer the Request for Proposals to a minimum of three appropriate professionals chosen by the manager.

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Administrative Procedures (cont'd)

6. An RFP describes the project to be undertaken, the intended results, and the criteria for choosing the successful bidder; it seeks the creative input of the marketplace. An RFP asks the respondent to address the issue of how to achieve the desired results.
7. Security and/or bonding requirements to be determined on the basis of each individual RFP.
8. The successful respondent is chosen based on criteria such as proven expertise in the specific areas required, qualifications and experience of staff, reference checks, compliance with Request for Proposal document, financial stability and costs.

Specific Procedures and Forms of Purchase – Table 1, Section #4

Public Invitations to Tender

1. An Invitation to tender is a formal document that sets out specific objectives to successfully complete a project or to purchase goods or services at a competitive price. The terms and conditions are established and controlled by the purchaser.
2. Requires that a formal written tender document be prepared which includes all relevant conditions and specifications for the goods or services required and provides the evaluation criteria for determining the successful bidder. A disclaimer stating “the lowest or any bid is not necessarily accepted” must be included in the tender document.
3. The tender will be advertised and tender documents will be available to all potential suppliers for a refundable fee when the documents are returned following the tender.
4. Security and/or bonding requirements to be determined on the basis of each individual Public Invitation to Tender.

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Administrative Procedures (cont'd)

5. Sealed tenders will be received from bidders at the location and up to the time specified in the tender document. Tendered bids must be presented for submission sealed and be stamped as to time and date of receipt and maintained in a sealed condition.
6. The responsible manager will convene a formal tender opening on the closing date of the tender which may be attended by interested parties and must include at least two witnesses. The responsible manager will undertake an evaluation of the bids and prepare a tender award recommendation report for the Secretary-Treasurer's consideration. The recommendation for the contract award is to be given to the vendor submitting the lowest bid and that meets all the terms and conditions set out in the tender document and complies with the evaluation criteria. If a bid offers features that either add to or limits the terms and conditions of supply as specified in the tender document then the bid should be rejected.
7. The purchase order is to be prepared by the manager initiating the purchase and presented with all relevant documentation including the tender opening record and lowest qualified bid form to the Secretary-Treasurer for authorization to award.

Specific Procedures and Forms of Purchase – Table 1, Section #5

National Public Invitations to Tender

1. Refer to items 1 to 7 under "Public Invitations to Tender"
2. In addition, no terms or conditions that limit the acceptance of a supplier on the basis of geographic location may be included in the specifications.
3. The tender will be advertised by public posting through BC Bid.

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Administrative Procedures (cont'd)

4. A national standard form of contract for supply and services is to be prepared by the manager initiating the tender with all relevant documentation including the BC Bid advertising, tender opening record and lowest qualified bid form to the Secretary-Treasurer of designate for authorization to award.

Emergency Purchases

- 1 To meet an emergency, the Superintendent or Secretary-Treasurer may authorize the immediate purchase of any item without recourse to the provisions of this policy or regulations, but such purchases over \$5,000 shall be reported to the Board.

Date of Initial Board Approval:

Amendments: